

MIDDLE PECOS GROUNDWATER CONSERVATION DISTRICT

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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 Field Technician: Anthony Bodnar

MINUTES OF REGULAR BOARD MEETING AND PERMIT HEARING

June 21, 2022

405 North Spring Drive, Fort Stockton, Texas

A quorum of the District's Board of Directors held its regular Board meeting in person with videoconference optional for the public and less than a quorum of the Board. 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 June 21, 2022.

On this the 21st of June 2022, a Regular Board Meeting and Permit Hearing was held by the Middle Pecos Groundwater Conservation District at the District's office at 405 North Spring Drive, Fort Stockton, Texas, with the following members present in person:

Jerry McGuairt	President, Precinct 1
Janet Groth	Vice President, Precinct 1
Weldon Blackwelder	Precinct 3
Larry Drgac	Precinct 3
Ronnie Cooper	Precinct 4
Jeff Sims	City of Iraan
Allan Childs	At Large
Vanessa Cardwell	City of Fort Stockton

Quorum Present

Members Absent: Alvaro Mandujano, Jr., Puja Boinpally, M.R. Gonzalez.

District employees and consultants participating: Ty Edwards, Gail Reeves, Vince Clause, Allan Standen, Raymond Straub, Lana McGee Straub, Shannon English, Jill Johnson, Anthony Bodnar, and Mike Gershon.

Others attending: Hawk Dunlap, Sarah Stogner, Wayne Tinkler, Jesus Cerna, Paula McGuairt, Ed McCarthy, Buck Benson, Scott Moorhead, Steven Sims, Van Kelly, Darrell Peckham, Mel Riggs, Ryan Reed, Glen Honaker, Geoff Pike, and Mark Tisdale.

REGULAR BOARD MEETING

- I Board Meeting called to order at 10:01 a.m. by President Jerry McGuairt and roll call was taken.
- II Comments from **public and media**: No Comments
- III Consider and/or act to approve **Minutes of Regular Meeting on May 17, 2022.**

The draft Minutes were emailed to the Board prior to the meeting. Janet Groth made a motion to approve the Minutes for the meeting of May 17, 2022, as presented. Motion seconded by Jeff Sims.

Motion passed. Vote: 8 FOR -0- Oppose 3 Absent 0 Abstain

PUBLIC HEARING ON PRODUCTION PERMIT APPLICATION FOR LONESTAR DREAM INC

- I Call to order at **10:03 a.m.** the public hearing on **Application for a Production Permit Lonestar Dream Inc.**

Party representing application: Jesus Cerna

Protestant to application: None

Public Comment: None

General Manager Ty Edwards presented the application to the board. **Lonestar Dream, Inc** has made application for a Production Permit with the Middle Pecos Groundwater Conservation District for 1 well located on 64.00-acre surface lease located in the T&P RR Co. Survey, Section 32, Block 49, Abstract 8479, Old Courtney Ranch Company, in Pecos County.

The application requests authorization to produce 20 acre-feet/year for Industrial Use from the Edwards Trinity and Pecos Valley Aquifers for a Bitcoin Facility. The Well registration number is 2022060101. The well only produced 15-20 gpm and the aquifer is not very productive in this area. The application is administratively complete.

II Adjourn Hearing and consider and/or act on **Application for a Production Permit Lonestar Dream Inc.**

President Jerry McGuairt adjourned the hearing at 10:11 a.m. Janet Groth made a motion to approve the production permit application from the Edwards Trinity and Pecos Vally Aquifers. Motion seconded by Allan Childs.

Motion passed. Vote: 8 FOR -0- Oppose 3 Absent 0 Abstain

REGULAR BOARD MEETING – CONTINUED

IV Consider and/or act upon **Treasurer’s Report for the Month Ending May 31, 2022.**

General Manager Ty Edwards presented the Treasurer’s report to the board. Allan Childs made a motion to approve the Treasurer’s Report ending May 31, 2022, as presented. Motion seconded by Ronald Cooper.

Motion passed. Vote: 8 FOR -0- Oppose 3 Absent 0 Abstain

V Consider and/or act upon contribution to **Trans Pecos Weather Modification Association.**

Wayne Tinkler presented the forecast for 2022 and the plan for cloud seeding the surrounding areas. Several other entities have signed up including Reeves County, Red Bluff, Several Irrigation District and possibly Pecos County. Janet Groth made a motion to approve a \$10,000 contribution to the Trans Pecos Weather Modification Association. Motion seconded by Vanessa Carrdwell.

Motion passed. Vote: 7 FOR -1- Oppose 3 Absent 0 Abstain

Jeff Sims voted against the contribution because he felt like it didn’t help eastern Pecos County.

VI Consider and/or act upon **Tax Abatement Policy and Guidelines.**

Tax abatement policy and guidelines should be readopted every two years. This will allow the District to be able to consider tax abatements. Vanessa Cardwell made a motion to readopt the tax abatement policy and guidelines for 2 years. Motioned seconded by Allan Childs.

Motion passed. Vote: 8 FOR -0- Oppose 3 Absent 0 Abstain

VII Consider and/or act on an **Engagement Letter with Smith & Rives, PC for the Audit for the Year Ending September 30, 2022.**

Smith & Rives, PC submitted an engagement letter for the audit for the 2022 audit. Vanessa Cardwell made a motion to approve the engagement letter for the Audit for the year ending September 30, 2022. Motion seconded by Ronald Cooper.

Motion passed. Vote: 8 FOR -0- Oppose 3 Absent 0 Abstain

VIII Update by Allan R Standen, LLC and Vince Clause on **Project #2 Free Flowing Artesian Wells in Pecos County.**

Vince Clause gave a presentation on Project #2 Free Flowing Artesian Wells in Pecos County.

Abandoned flowing wells have been a concern for many years because of their potential impact on groundwater resources within Pecos County. The District's understanding of the issues that pertain to flowing wells has evolved as new data is collected, with current research and monitoring efforts focused on flowing San Andres wells. These are the most problematic and require immediate attention, however only account for a portion of historically flowing wells located within Pecos County. On November 16th, 2021, the Board of Directors approved funding to inventory current and historical flowing wells within Pecos County. This work was completed by Allan R. Standen LLC (ARS LLC) in early June of 2022. Included in this report is an inventory of ninety-nine historic and actively flowing wells in Pecos County. Flowing water chemistry samples were analyzed and suggest that degradation of flowing waters and possible commingling of nearby aquifer systems are occurring. There are also six areas with possible localized subsidence and/or collapse that were discovered. Additionally, thirty-four previously undocumented areas that exhibit signs of possible flow were identified.

This analysis provides the most comprehensive inventory of historical and currently flowing wells in Pecos County, Texas. All known publicly available sources of data were reviewed, and many forgotten flowing wells sites were rediscovered. Although many of these no longer flow, they still provide important insights into past aquifer behaviors.

The San Andres was historically and is currently the primary source of actively flowing wells in Pecos County. These wells have been flowing for several decades and more recent changes in water chemistry suggest that casing in several of these wells has been compromised. This increases the possibility of commingling and localized contamination of groundwater. The overall impact to the groundwater quality of the Pecos River to the north is unknown. As the District continues to look for solutions, an emphasis should be placed on wells with elevated chloride concentrations (> 1,500 mg/L) and those that demonstrate

localized subsidence and/or collapse. An elevated chloride measurement is assumed to signal that dissolution of the Salado Formation is actively occurring. As a dissolution cavity forms, the subsidence and/or collapse risk increases, as has been observed along FM 1053 at the C-107 well site. The process of subsidence and/or collapse triggers unpredictable subsurface mechanics and decreases the chances of a successful plugging. The District should consider sampling the remaining flowing wells to better understand the extent of this potential geohazard.

The District should prioritize a site visit to all flowing and possibly flowing wells that are currently unknown to District staff. The visit would confirm the remote sensing analysis and allow for District staff to characterize and better understand potential hazards associated with each area. Several of the possible flowing sites appear to relate to areas with oil and gas activity and may require immediate attention from the RRC. The flowing well inventory table and flowing well overview map can be updated as more information is collected.

The presentation is attached as Attachment A.

IX Update on San Andres well-plugging initiative and progress made at Bohmer Lake (Sloan Blair #1).

Raymond Straub presented an update on the dirt work to access Bohmer Lake and Sibley Gomez wells. The District and Pecos County built a 20ft access road and 75ft x 75ft well pad around Bohmer Lake and Gomez well. This will allow the District to continue the work on and around the well sites. The District has received funds to log both wells and possibly complete some well head work.

The presentation is attached as Attachment B.

X Update on Fort Stockton Holdings, L.P. (FSH)-MPGCD Joint Study, Implementation and Threshold Water Levels.

The Board discussed the ongoing groundwater monitoring of the FSH threshold water levels. All wells are working and operating accordingly. A link to the FSH threshold water levels is available at <https://mpgcd.half.com/Dashboard>.

XI Briefing and take action as necessary on Cockrell Investment Partners, L.P. v. MPGCD and its Board President in his official capacity, FSH and Republic Water Company of Texas, L.P., Case No. 08-21-00017-CV (El Paso Court of Appeals) and/or Cockrell Investment Partners, L.P. v. MPGCD and its General Manager in his official capacity, and FSH, Case No. 08-21-00200-CV (El Paso Court of Appeals).

Cockrell 1 is at the El Paso Court of Appeals. The Court had set the case for submission with oral argument for February 24, 2022. On February 15th the Court

vacated oral argument stating that it would not materially aid in the disposition of this cause. Awaiting a decision from the court.

Cockrell 2 is at El Paso Court of Appeals. Cockrell filed their appellate brief 11 days ago. We are working on our responsey brief and should have that out soon. Once that happens, Cockrell will file their reply brief. Then we will be awaiting a decision from the court in both cases.

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

- 2022 Estimated Tax Value-MPGCD Packet
- Notice of Deadline to File Application MPGCD 07-23-2022 to 08-22-2022
- Rig Data Report 06-17-2022
- Texas Groundwater Summit Draft Agenda August 30 – September 1, 2022
- Tx Drought Map 06-14-2022
- Water Quality Sampling is starting June-July
- Andy Rivera has drilled well but is waiting to finish casing and complete pump test

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

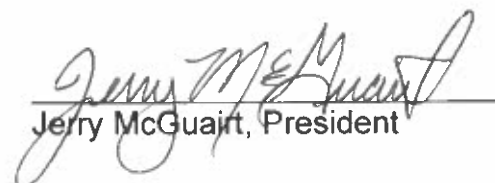
Next Board meeting will be July 19, 2022, at 10 am.

XIV Adjourn Board meeting.

Vanessa Cardwell made a motion to adjourn the meeting. Motion seconded by Janet Groth Motion carried unanimously. The meeting adjourned at 12:20 p.m.



M. R. Gonzalez, Secretary/Treasurer



Jerry McGuairt, President

Date Approved 8-16-22