

Permit Hearing - Item #7

**NOTICE OF PERMIT HEARING OF THE
CLEARWATER UNDERGROUND WATER CONSERVATION DISTRICT**

In accordance with Governor Abbott's declaration of the COVID-19 public health threat, action to temporarily suspend certain provisions of the Texas Open Meetings Act, and Executive Order, a quorum of CUWCD's Board of Directors will hold this scheduled Public Hearing by telephonic conference call and, for redundancy, videoconference. Notice is hereby given that the Board of Directors for the Clearwater Underground Water Conservation District have set the public hearing set for February 17, 2021 at 1:30 p.m. Applications for Permit as described below will be heard as described above, in compliance with the Texas Open Meetings Act. The public may access this meeting and make public comment by phone, pc, tablet and/or notebook by going to the District Website <http://www.cuwcd.org/> for the contact information and instructions on February 5, 2021.

The hearing will be conducted on the following applications:

Applicant's File Number/Name	Permit Applicant/Holder and Landowner	Location of Well/Wells	Proposed Annual Groundwater Withdrawal Amount & Purpose of Use
Operating Permit N2-20-007G	Victory Rock TX LLC c/o Jon Taliaferro Project Manager Sage ATC Environmental 715 Discovery Blvd, Suite 301 Cedar Park, TX 78613 361-215-9994	Existing well will be reworked and equipped with a maximum 2-inch column pipe for a submersible pump rated at 18.6 gallons per minute on the 283-acre tract located at 7170 Solana Ranch Rd West, Jarrell Texas 76537-5008, Latitude 30.876156° Longitude -97.609424°	Request for an Operating Permit on an existing well, for beneficial use N2-20-007G for withdrawal of 30 acre-ft/year or 9,775,000 gallons per year, from the Hensell layer (Middle) of the Trinity Aquifer with a 2-inch column pipe at 18.6 gallons per minute to produce groundwater for the purpose of mining and crushing aggregates.
Drilling Permit N2-19-005P FILED FOR RECORD 2021 FEB - 5 A 0 15	7X Investments (dba 7KX Ranches) c/o Glenn Hodge P.O. Box 297 Salado, TX 76571 254-947-5577	Drilling permit to authorize a new well in the Edwards BFZ aquifer to produce groundwater for public water supply. N2-19-005P is proposed with a 6-inch column pipe at 1000 gpm on a 345.97-acre site located approximately 3 miles south of the Village of Salado Pump, West Side of IH-35, west of the southbound TXDOT rest area, Latitude 30.912222° Longitude -97.556944°	Request for a Drilling Permit to construct and complete a well for public water supply. N2-19-005P drilled and completed for withdrawal 500 ac-ft per year or 162,925,500 gallons per year from the Edwards BFZ Aquifer with a 6-inch column pipe at 1000 gallons per minute to produce groundwater for public water supply.

The Applications for Permit and Permit Amendments, if granted, would authorize the permit holders to operate wells within the Clearwater Underground Water Conservation District according to the terms and conditions set forth in the permit.

**GUIDELINES FOR PUBLIC PARTICIPATION IN CLEARWATER UNDERGROUND
WATER CONSERVATION DISTRICT BOARD MEETING, WORKSHOP AND HEARINGS**

Clearwater UWCD, in order to maintain governmental transparency and continued government operation while reducing face-to-face contact for government open meetings, is implementing measures according to guidelines set forth by the Office of the Texas Governor, Greg Abbott. In accordance with section 418.016 of the Texas Government Code, Governor Abbott has suspended various open-meetings

provisions that require government officials and members of the public to be physically present at a specified meeting location. CUWCD's adherence to the Governor's guidance temporary suspension procedure ensures public accessibility and opportunity to participate in CUWCD's open meeting, workshop and hearings.

Members of the public wishing to make public comment during the meeting must register by emailing schapman@cuwcd.org prior to 11:30 a.m. on February 17, 2021. This meeting will be recorded, and the audio recording will be available by contacting the CUWCD's staff after the meeting. A copy of the agenda packet will be available on the CUWCD's website at the time of the meeting.

If you would like to support, protest, or provide comments on this application, you must comply with District Rule 6.10 and either appear by phone or video conference during the hearing or submit a written Contested Case Hearing Request that complies with District Rule 6.10 and that must be received by the District prior 11:30 a.m. on the date of the hearing by assessing the from at: <http://www.cuwcd.org/wp-content/uploads/2020/03/Hearing-Registration-eForm-19MAR20.pdf>

Public Comment forms can be assessed at: <http://www.cuwcd.org/wp-content/uploads/2020/03/Public-Comment-eForm-19MAR20.pdf>

You may join CUWCD's Board Workshop, Permit Hearing and Regular Board Agenda as follows:

- ✓ CUWCD Public Hearing, Board Workshop and Regular Board Meeting
Wed, Feb 17, 2021 1:30 PM - 5:30 PM (CST)
- ✓ **Join the meeting from your computer, tablet or smartphone.**
<https://global.gotomeeting.com/join/824981765>
- ✓ **You can also dial in using your phone.**
United States (Toll Free): 1 866 899 4679 Access Code: 824-981-765
One-touch: tel:+18668994679,,824981765#
- ✓ New to GoToMeeting? Get the app now and be ready when your first meeting starts:
<https://global.gotomeeting.com/install/824981765>

A person wishing to submit a Contested Case Hearing Request who is unable to appear at the hearing on the date and time set forth above must also file a motion for continuance with CUWCD demonstrating good cause for the inability to not appear by phone and/or video. For additional information about this application or the permitting process, or to request information on the legal requirements on what MUST be included in a Contested Case Hearing Request to be valid, please contact the CUWCD at 700 Kennedy Court (PO Box 1989) Belton, Texas, 76513, 254-933-0120.

ISSUED this 5th day of February 2021 in Belton, Texas, on the recommendation of the General Manager.

I, the undersigned authority, do hereby certify that the above NOTICE OF PERMIT HEARING of the Board of Directors of the Clearwater Underground Water Conservation District is a true and correct copy of said Notice. I have posted a true and correct copy of said Notice at the District office located in Belton, Texas, and said Notice was posted on February 5, 2021 and remained posted continuously for at least 10 (ten) days immediately preceding the day of said hearing; a true and correct copy of said Notice was furnished to the Bell County Clerk, in which the above-named political subdivision is located. This amended posting is to postpone said announcement thus will add an additional 7 days to the day preceding announcement posted on March 6, 2020. The purpose of said postponement is to ensure the health and safety of the permittees, potential protestants, interested citizens, staff and directors.

ISSUED this 5th day of February 2021 in Belton, Texas, on the recommendation of the General Manager.

I, the undersigned authority, do hereby certify that the above NOTICE OF PERMIT HEARING of the Board of Directors of the Clearwater Underground Water Conservation District is a true and correct copy of said Notice. I have posted a true and correct copy of said Notice at the District office located in Belton, Texas, and said Notice was posted on February 5, 2021, and remained posted continuously for at least 10 (ten) days immediately preceding the day of said hearing; a true and correct copy of said Notice was furnished to the Bell County Clerk, in which the above-named political subdivision is located.

Dated 02/05/2021

Clearwater Underground Water Conservation District

By: 
Dirk Aaron, General Manager

FILED FOR RECORD
2021 FEB -5 A 9:16
SHELLEY COSTON
CLERK BELL CO. TX

Permit Hearing - Item #7
Victory Rock LLC



Phone: 254-933-0120 Fax: 254-933-8396
P.O. Box 1989, Belton, TX 76513
Every drop counts!

APPLICATION FOR NON-EXEMPT WELL CLASSIFICATION 2

A **NON-EXEMPT WELL, CLASSIFICATION 2** is a well that satisfies the following conditions:

- 1) A water well used for purposes other than domestic, livestock or poultry; or
- 2) A water well that is drilled, equipped or completed so that it is capable of producing more than 25,000 gallons/day.

Check one of the following:

DRILLING PERMIT

(Complete Sections 1, 2, 3, 4 & 7)

New Well

Replacement Well

OPERATING PERMIT

(Complete Sections 1, 5 & 7; update Sections 2, 3, & 4 if different from Drilling Permit)

Water to Remain in District

Water to be Exported Outside District*

PERMIT AMENDMENT

Modify Drilling Permit (Complete Sections 1.2.3.4 & 7)

Modify Operating Permit (Complete Sections 1.5 & 7)

Change in Well Ownership (Complete Sections 1 & 7)

An application for an **Operating Permit** must be filed within 30 days of completing a new well, or reworking/re-equipping an existing well.

A **Hydrogeological Report** is required for 1) Operating Permit applications requesting an annual maximum permitted use of more than 37 acre-feet; or 2) amendments to increase production or production capacity of a public water supply, municipal, commercial, industrial, agricultural or irrigation well with an outside casing diameter greater than 6 5/8 inches as discussed in District Rule 6.9.2.

*Requests to export water outside the District must also complete Section 7.

Per Rule District Rule 9.3 and State Law TDLR all *State of Texas Well Reports* are due to the District within **60 days of well completion**.

NEW Per District Rule 9.3.3 at completion of all wells Water Quality Assessment is required by the Pump Installer and/or Well Driller. District Staff will provide screen test, sample bottles, and coordinate with Pump Installer or Driller to retrieve the sample within **45 days of the well completion**. Temporary pump to purge the well is required should the well not have pump permanently installed in first 45 days. This requirement is for operating permits 37 ac. ft. or less.

1. Owner Information

Note: If well owner is different from property owner, provide documentation from property owner authorizing well construction and operation.

Well Owner: Byron Goode Email: _____ Telephone No.: _____

Address: P.O. Box 297 Jarrell TX 76537
(Street or P.O. Box) (City) (State) (Zip Code)

Contact Person (if other than owner): Mickey Hubicsak Telephone No.: (830) 312-2217

If ownership of well has changed, name of previous owner _____ State Well No. _____

2. Property Location & Proposed Well Location

Owner of property (if different from well owner): _____

Property is located 1.5 miles W of Prairie Dell on Solana Ranch Rd
(Number) (N.S.E.W) (Nearest City or Town) (Name of Road)

Acreage: 3.359 Bell CAD Property ID #: 107127 Latitude: 30.876147 Longitude: -97.609449

3. Well Description (Submit if State of Texas Well Report is available)

a. Proposed use of well and estimated amount of water to be used for each purpose:

_____ *Domestic; _____ Livestock/Poultry; _____ Agricultural/Irrigation;
30 acre-ft/yr _____ Industrial; _____ **Public Supply; _____ Other.

*Total number of houses to be serviced by the well: _____

**Notice is required of any application to the TCEQ to obtain or modify a Certificate of Convenience and Necessity to provide water or wastewater service with water obtained pursuant to the requested permit.

b. Estimated distance from nearest: (feet)

100 N / S Property Line; 950 E / W Property Line; _____ Existing Septic Leach Field;
3300 River, Stream or Lake; 600 Existing Water Well; _____ Livestock Enclosure;
_____ Other Source of Contamination (cemetery, pesticide mixing/loading, petroleum storage tank, etc.)

c. Estimated rate of withdrawal (GPM): 18.6 d. Is property subject to flooding: Yes No

e. Is there another well on the property? Yes No f. Is the well part of a multi-well aggregate system? Yes No
If yes, how many wells? _____ List State Well Numbers: _____

g. Attach the following:

- tax plat map indicating the location of the proposed well or the existing well to be modified, the subject property, and adjacent owners' physical addresses and mailing addresses. (Bell CAD maps if current will be accepted)
- Indicate the location of the proposed well or the existing well to be modified with a circle and dot, and the distance to the well from property lines.
- CUWCD will provide the location of all existing wells within 1/2 mile radius of the proposed well or the existing well to be modified.

NOTE: If this is a replacement well, indicate location of well that is being replaced and distance from the proposed well. **Abandoned well must be properly capped or filled in accordance with state law and the rules of the District.**

Required: Pump Installer / Well Driller Information (Required by Law)

Name: Alpine Water Well TDLR Pump Installer License Number: _____

Address: _____ TDLR Well Drillers License Number: 02912WI

(Street or P.O. Box) _____

(City) (State) (Zip Code) _____

(512) 818-2679 _____ Comments/notes _____

(Phone #) (Fax #) alpinewaterwell2912@gmail.com

(E-mail address)

4. Completion Information

Provide the following information to the extent known and available at the time of application.
NOTE: Provide the complete driller's log and any mechanical log, or chemical analysis, within 60 days of completion of well. Well must be drilled within 30 feet of the location specified and not closer to any existing well or authorized well site than the District's minimum spacing rule requires.

If amending existing permit, explain requested amendment and reason for amendment:

Proposed **Total Depth of Well:** 880 ft; Borehole Diameter (Dia) 9 inches (in) from 0 to 140 ;
 Dia. (2) 7 in. from 140 to 880 **Casing:** Material steel ; Inside Diameter (ID) 6 in;
Screen: Yes No Screen Type slotted pvc ; Screen Dia. 4.5 in from 800 to 880 ft;
 # of Packers _____ ; **Pump Type:** submersible ; **Power:** electric ; Horsepower Rating 5 ;
 Depth: _____ ft; Column Pipe ID: 2 in. Date Completed _____
Proposed Water Bearing Formation: Middle Trinity **Correction to the Column Pipe Size per Jon & Dirk Conversation 10:15 am Dec 21st**

5. Operating Permit

NOTE: If requesting operating permits or permit renewals for multiple wells, please attach a separate sheet with the information requested below for each well.
 Current operating permit annual production: _____ Requested increase/decrease: _____
 Include statement/documentation explaining requested production:
 Number of contiguous acres owned or leased on which water is to be produced: 283 acres
 Total annual production requested with this operating permit: 30 acre-feet or 9775000 gallons
 Requested annual volume to be exported out of the District: 0 Gallons (0 % of total pumpage)
NOTE: (1 acre-foot = 325,851 gallons) Withdrawals from all non-exempt wells Classification 2 must be reported to the District monthly—by the 10th of the following month

6. Export Requirements

If water is to be exported outside the District, describe the following issues and provide documents relevant to these issues:

- The availability of water in the District and in the proposed receiving area during the period requested.
- The projected effect of the proposed export on aquifer conditions, depletion, subsidence or effects on existing permit holders or other groundwater users within the District.
- How the proposed export is consistent with the approved regional water plan and certified District Management Plan.

7. Certification

I hereby certify that the information contained herein is true and correct to the best of my knowledge and belief. I certify to abide by the terms of the District Rules, the District Management Plan, and orders of the Board of Directors. I agree to comply with all District well plugging and capping guidelines as stated in the District Rules.
 Mickey Hubicsak 12/18/2020
 Typed Name of the Ower or Designee Date

PERMIT TERMS: Drilling Permits—effective for 365 days from the date the permit application is approved by the Board. **Combination Drilling / Operating Permits**—effective until the end of the calendar year in which it is issued. Permits may be renewed by the General Manager, subject to any changes necessary under proportional adjustment regulations, District Rules, or the District Management Plan.
SPACING/ACREAGE REQUIREMENTS: Refer to District Rules, Section 9.5. For a well with a column pipe size of 2" or less, a minimum tract size of 2 acres is required, with a 100' setback from other well sites, and a 50' setback from property lines. Acreage and setbacks increase with larger column pipe size.
NOTICE REQUIREMENTS: Permit applicants must provide notice of filing as follows: 1) publication in a newspaper of general circulation in the District; and 2) certified mail, return receipt requested, to all adjacent property owners and owners of wells located within ¼ mile radius of the existing well or proposed well that is the subject of the application. The District will provide the appropriate forms for notification. Applicant must provide 1) proof of publication of public notice; and 2) proof of receipt by certified mail of the public notice to property owners as

SUBMIT FOR ADMIN REVIEW



— AN ATLAS COMPANY —

12/18/2020

Mr. Dirk Aaron
Clearwater UWCD
700 Kennedy Ct
Belton, TX, 76513

RE:

Dear Mr. Aaron;

Sage Environmental Consulting is submitting this application on behalf of Victory Rock Texas LLC who will operate the well according to the permit upon approval of the Board.

The 283-acre property is owned by Byron Goode and is leased by Victory Rock Texas LLC for the purpose of mining and crushing aggregates.

The Jarrell Plant is currently authorized under a Tier II Standard Permit (No. R09108323940). A NSR Air Permit is currently under review for authorization that will increase allowable production. Victory Rock Texas LLC is in good standing with the TCEQ.

The wash plant will produce approximately 900,000 tons of material annually. The rock crushing and screening will operate 7300 hours annually and produce 4,380,000 tons annually. Approximately 30 acre-ft/yr of water will be required to operate the crushing and washing operations annually.

The operator will capture and reuse water using a 1-acre sedimentation pond with an estimated depth of 14 ft. The water will be pumped from the pond to an above ground water storage tank that will supply the crushing and washing operations as necessary.

Alpine Water Wells inspected the well on December 1st, 2020. The well and casing are in good condition. The well currently has a 1.5 HP submersible pump that will be replaced with a 5 HP submersible pump to supply the 30 acre-ft/yr of water annually.

If you have any questions, please contact Jon Taliaferro (phone: 361-215-9994, email: jon.taliaferro@oneatlas.com).

Sincerely,
Sage ATC Environmental Consulting LLC

Jon Taliaferro
Project Manager

Enclosure

APPLICATION FOR NON-EXEMPT WELL
CLASSIFICATION 2

Bell CAD Property Information

Jarrell Mine Water Use Estimate

Jarrell Memo of Lease

cc: Scott Cusick

Input Values

Mine Name: XYZ Months without rainfall (worst-case): 6
 Storage pond surface area in acres: 1
 Average pond depth in feet: 14
 Rainfall runoff collection efficiency: 60%
 Working days per year: 7300
 Pond catchment area in acres: 80
 Wash water shipped with material: 10%
 Working hours per day: 20
 Average evaporation in inches: 54.39
 Wash water return flow infiltration loss: 10%
 Sprayer nozzles: 20
 Average precipitation in inches: 33.05
 Additional contingency: 25%
 Minimum GPM per nozzle: 2
 Maximum GPM per nozzle: 5

XYZ Mine Water Use Estimates

123 tons of washed material daily
 14,795 low estimate of daily water use in gallons
 36,986 high estimate of daily water use in gallons
 0.05 low estimate of daily water use in acre-feet
 0.11 high estimate of daily water use in acre-feet
 331.44 low estimate of annual water use in acre-feet
 828.60 high estimate of annual water use in acre-feet

XYZ Mine Water Loss Estimates

33.14 minimum annual water loss for water shipped in washed material in acre-feet
 82.86 maximum annual water loss for water shipped in washed material in acre-feet
 33.14 minimum annual water loss for return flow infiltration in acre-feet
 82.86 maximum annual water loss for return flow infiltration in acre-feet
 1.78 annual net evaporative loss estimate in acre-feet
 0.01 Minimum daily consumptive use in acre-feet
 0.00 minimum daily water loss for water shipped in washed material in acre-feet
 0.01 maximum daily water loss for water shipped in washed material in acre-feet
 0.00 minimum daily water loss rate for return flow infiltration in acre-feet
 0.01 maximum daily water loss rate for return flow infiltration in acre-feet
 0.00 average daily net evaporation in acre-feet
 0.02 Maximum daily consumptive use in acre-feet

XYZ Mine Water Input Estimates

14 volume of pond in acre-feet
 132.20 annual volume of rainfall runoff collected in pond in acre-feet
 4 potential volume to refill pond resulting from a 1-inch rain in acre-feet

XYZ Mine Worst-Case Groundwater Use Estimates

131 working days in worst-case scenario
 4.00 estimated soil re-wetting volume in acre-feet
 26.82 Estimated minimum worst case groundwater needs in acre-feet
 29.05 Estimated maximum worst case groundwater needs in acre-feet

Clearwater Underground Water Conservation

PO Box 1989
Belton, TX 76513

Invoice

Invoice #: 129

Invoice Date: 12/21/2020

Due Date: 12/21/2020

Project:

P.O. Number:

Bill To:

Victory Rock Texas, LLC
531 East 770 North
Orem, UT 84097

Date	Description	Amount
12/21/2020	Permit Application Fee	3,500.00

RECEIVED
DEC 21 2020
BY: *[Signature]*

Total	\$3,500.00
Payments/Credits	\$0.00
Balance Due	\$3,500.00

RECORDING REQUESTED BY
Victory Rock Texas, LLC

WHEN RECORDED MAIL TO
Victory Rock Texas, LLC
10447 South Jordan Gateway
South Jordan, UT 84095

531 E 770N.
DREM, UT 84097

✓ 19.0

Exhibit B
Memorandum of Agreement Form

FILED FOR RECORD
At 12:25 O'Clock P.M.

JAN - 6 2015

Dorothy Costen
COUNTY CLERK BELL COUNTY, TX

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT dated this 27th day of May, 2015, is made on behalf of Victory Rock Texas, LLC, a Utah limited liability company, whose address is 10447 South Jordan Gateway, South Jordan, Utah, 84095 (referred to hereinafter as "Lessee").

Pursuant to a Lease Agreement by and between Byron Goode (referred to hereinafter as "Lessor") and Lessee, Lessor leased to Lessee the real property described on Exhibit A (referred to hereinafter as the "Property") attached hereto and incorporated herein by this reference.

This Memorandum of Agreement is prepared to provide record notice that Lessee holds these rights as long as certain obligations are met for Three (3) years and has the option to extend the term for Five (5) additional Ten (10) year terms. This Memorandum of Agreement is prepared for the purpose of recordation, and in no way replaces, modifies, or alters the provisions of the aforementioned Land Lease Agreement.

The undersigned hereby acknowledges and affirms to the below named notary public that (1) [s]he appeared before such notary public and on behalf of the above named corporation or limited liability company by proper authority, either executed the foregoing document before such notary public or acknowledged to such notary public that the undersigned executed the foregoing document,

DATED effective this 27th day of May, 2015.

LESSOR

Byron Goode
Byron Goode

LESSEE

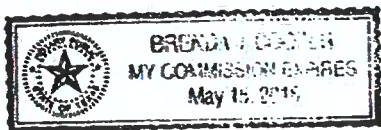
Victory Rock Texas, LLC, a Utah limited liability company

Scott Gusiak
Scott Gusiak, CEO

**ACKNOWLEDGMENT
INDIVIDUAL**

STATE OF Texas }
COUNTY OF Williamson } ss.

On this 27 day of May, 2015, before me personally appeared Byron Goode known to me (or proved to me on the basis of satisfactory evidence) to be the person who is described in and who executed the within instrument and acknowledged to me that he executed the same.

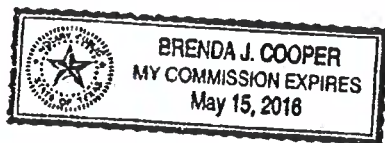


Brenda Cooper
Notary Public

**ACKNOWLEDGMENT
CORPORATE**

STATE OF Texas }
COUNTY OF Williamson } ss.

On this 27 day of May, 2015, before me personally appeared Scott Cusick known to me (or proved to me on the basis of satisfactory evidence) to be the person who is described in and who executed the within instrument as CEO of Victory Rock Texas, LLC and acknowledged to me that he executed the same.



Brenda Cooper
Notary Public

EXHIBIT A

Legal descriptions

283 Acres as described in the Site Plans Dated March 20, 2015 for the Jarrell North Pit and the Goode Ranch South Pit combined.

Official Receipt for Recording in:

Bell County Clerk
P.O. Box 480
Belton, Texas 76513

Issued To:
VICTOR ROCK TEXAS LLC
531 E 770 W
ORERN UT 84097

Recording Fees

Filing Type	Number	Vol#	Page	Time	Recording Amount
Recordings					
	00000391	09509	00916	12:24:20p	19.00
	DR-GODDE BYRON IN-VICTORY ROCK TEXAS LLC				
					19.00

Collected Amounts

Payment Type	Amount
Credit Card BUOPDF0227B1	19.00
	19.00

Total Received :	19.00
Less Total Recordings:	19.00
Change Due :	.00

Thank You
SHELLEY COSTON - County Clerk

By - Destinee Wilson

Receipt# Date Time
0257119 01/06/2016 12:24p



Charles Jones
Treasurer
101 East Central Avenue Ground Floor
Belton TX 76513

Receipt

Location: 12

Employee: 210

Transaction Information

Transaction Type: County Clerk RECORDING Fees
ID: RECORDONG
Year: 2016
Amount Due: \$19.00
Convenience Fee: \$3.00
Total Amount Due: \$22.00

Payment Information

Payment Method: Credit Card
Card Type: VISA
Card Holder Name: CUSICK/SCOTT
Reference #: 155954
Transaction #: BU0PDF0227B1
Authorization #: 111111
Processed Date: 01/06/2016
Processed Time: 12:24:07 PM

Please Sign Here:

Transaction Details

Phone #: 8015091239

Home

Thank you for your payment!
Your credit card statement will reflect this transaction with the name
GOVERNMENT PAYMENTS.
If you should have any questions regarding your credit card transaction you can
call us at 956-682-3466 during our business hours of 8:00 AM to 5:00 PM Central
Standard Time on Monday through Friday.

Copyright 2012.

CUWCD Executive Summary

Staff Report
Application for an Operating Permit
N2-20-007P



Applicant/Owner: Victory Rock LLC
c/o Jon Taliaferro Sage ATC Environmental Consulting LLC
715 Discovery Blvd., Suite 301, Cedar Park TX 78613

Location of Well:
283-acre tract located at 7170 Solana Ranch Rd West, Jarrell Texas 76537-5008, to produce groundwater for beneficial use for the purpose of mining and crushing aggregates.

Latitude 30.876156°
Longitude -97.609424°

<p>Proposed Annual Withdrawal:</p> <p>Rate : @ 18.6 gpm</p> <p>Withdrawal/Well: 30 acre/feet/year 9,775,000 gallons</p>	<p>Proposed Use</p> <p>Mining & Crushing Aggregates</p>	<p>Aquifer:</p> <p>Hensell Layer of the Trinity Aquifer (known as the Middle Trinity)</p>	<p>Nearest Existing Wells:</p> <p>Total: 1 wells @ 1/4 mile 6 wells @ 1/2 mile.</p> <hr/>
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General Information

Victory Rock Texas LLC, by Project Manager, Jon Taliaferro with Sage ATC Environmental, has made application to the Clearwater Underground Water Conservation District (CUWCD) on December 6, 2020, for an operating permit to authorize production of groundwater not to exceed 30 ac-ft (9,775,000 gallons) per year from an existing well (N2-20-007G) completed in the Hensell Layer of Trinity aquifer to produce water for beneficial use for the purpose of mining and crushing aggregates.

Victory Rock Texas LLC is proposing an operating permit with agreed upon special provisions that allow permitted production on property leased from Byron Goode totaling 283 contiguous acres. The permit condition is to include an advanced aquifer 36-hour pumping test of the well with enhanced aquifer monitoring to correlate the permitted production with additional understanding of the aquifer conditions in the Hensell Layer of the Trinity Aquifer. The test is designed to yield additional valuable data for Victory Rock and CUWCD for general regulatory purposes and assist the District and other well owners with in-depth scientific discernment of the Hensell Layer of the Trinity aquifer and potential radius of influence on wells within ½ mile of the existing well.

Special Provisions will be discussed with the board should the permit be approved, to ensure compliance per set-back requirements, well construction, district access, water level measurements and conservation. The operating permit are renewed annually by CUWCD staff, unless the permittee fails to meet all required reporting, and/or other special provisions are not complied with, and/or conditions of the Middle Trinity Aquifer merit curtailment of all permit holders in accordance with District Rules and Chapter 36 necessary to meet the DFC under statutory requirements. (*see attached geoscience attachment*)

CUWCD consulting hydrogeologist, Mike Keester LRE Water LLC, has reviewed the application, and has conducted the required drawdown analysis per district rules.

CUWCD general counsel has reviewed the applications for the well and participated with the district staff on January 4, 2021 to discuss the merits of the application with both Sage Environmental, Victory Rock LLC, local well owners and adjacent property owners. General Council answered questions related to the possibility that the applicant may amend their current application during testimony on January 17, 2021 to address the concerns of impact to existing exempt well owners in the Middle Trinity by amending the application to a Drilling & Operating Permit for a new well in the Hosston Layer of the Trinity Aquifer. General Council has advised district GM on the elements of the applications that the district board of directors may deliberate should the applicant wish to amend the application.

The applicant understands that a prescribed aquifer test for up to 72 hours may be recommended by the staff and consultants in-order to improve our understanding of the either the Middle Trinity or the Lower Trinity in this grid cell of the NTWGAM.

Per Rules 6.9 and 6.10

In deciding whether or not to issue a permit, the Board must consider the following:

- 1) The application contains all the information requested.**
The application is complete—all requested information has been provided and all required application fees have been paid. All notification per District Rules have been completed.
- 2) The proposed use of water is dedicated to a beneficial use.**
The water produced from the existing well will be used for mining operation and equipped to 18.6 gpm/well. This does qualify as a beneficial use under district rules and chapter 36.
- 3) The applicant agrees to avoid waste and achieve water conservation.**
The applicant has agreed to avoid waste and achieve water conservation by signing the application form stating compliance with the District's Management Plan. The applicants and their representatives understand that the District requires recapture and reuse of all water used in the washing and crushing operation. Applicant understands the importance of water conservation measures in the business thus engineered design for capturing the runoff to multiple retention ponds for reuse is vital to the sustainability of the aquifer.

- 4) **The applicant has agreed that reasonable diligence will be used to protect groundwater quality and that the applicant will follow well plugging guidelines at the time of well closure.**

The applicant has agreed (by signing the application form) should the well deteriorate over time that state law and district rules require such well to be plugged before a replacement well can be drilled.

- 5) **The proposed water wells comply with spacing and production limitations identified in these rules.**

The existing well will be re-worked to have a column pipe size not to exceed a diameter of 2 inch. Based on this column pipe size, a minimum size tract of 2 acres is required, with a 100-foot spacing requirement from other wells.

The 50-foot setback requirement from adjacent property lines will be met should the applicant proposed to amend the application for a new well to the Lower Trinity per District Rule 9.5 Spacing Requirements.

The District rules do not impose production limitations other than those determined applicable in the review of the today's permit request or to prevent unacceptable level of decline in water quality of the aquifer, or as may be necessary to prevent waste and achieve water conservation, minimize as far as practicable the drawdown of the water table or the reduction of artesian pressure, lessen interference between wells, or control and prevent subsidence. These issues are considered in Items 6 & 7 below and with staff recommendations to address potential concerns of adjacent property owners.

- 6) **The proposed use of water does or does not unreasonably affect existing groundwater and surface water resources or existing permit holders.**

Total: 1 well within 1/4 mile and 6 wells within 1/2 mile

All of these wells are listed as exempt in our database and 3 completed to the Edwards BFZ aquifer and the remaining completed to the Middle Trinity Aquifer. *attached proposed Victory Rock LLC Map*

Mike Keester, Hydrogeologist, LRE Water, has reviewed this application and has determined anticipated drawdown and has provided the *attached MK report* with his conclusions and recommendations stating that the proposed permitted amount of 30-acre feet/year *will diminish* the ability of other exempt aquifer users to produce water for a beneficial use from the Middle Trinity Aquifer known as the Hensell Layer of the Trinity.

He also has assessed the application to a reduction level of 10-acre feet/year and has found this *will also unreasonably impact* those same exempt wells in the first year of production. Mr. Keester will testify as needed to his geologic assessment.

7) **The proposed use of water is consistent with the District's water management plan.**

The District's Management Plan reflects a groundwater availability figure in the Middle Trinity Aquifer of **1099 ac-ft/year Model Available Groundwater** (then reserve 548 ac-ft/year for exempt well use thus only **921 ac-ft/year** is the **Managed Available Groundwater** for permitting. Currently the district has remaining only **83.3 ac-ft/year of the managed available groundwater for permitting.**

Groundwater for the Lower Trinity Aquifer is **7193 ac-ft/year Modeled Available Groundwater** (then reserve 178 ac-ft/year for exempt well use) thus **7,015 ac-ft/year is the Managed Available Groundwater for permitting.** Currently the district has remaining **3100.96 ac-ft/year of the managed available groundwater for permitting.**

The board, per the district management plan, has evaluated groundwater available for permitting the three Layers of the Trinity Aquifer and most recently evaluated the available groundwater for permitting (*consistent with the management plan as stated on pages 9-11*).

The requested permit amount relative to the modeled available groundwater MAG determined by the Texas Water Development Board (TWDB) based on the desired future conditions (DFCs) established by the District for the Middle and Lower Layers of the Trinity Aquifer was set by CUWCD based on drawdown of 137 feet and 330 feet respectfully for the next 60 years. These drawdowns were approved by the board in January 2019. To achieve this DFC, the TWDB used a model that indicated the MAG was equal to 1099 ac-ft/year for the Hensell Layer (Middle) Trinity Aquifer and 7193 acre-feet per year from the Hosston Layer (Lower) Trinity Aquifer.

A summary of YTD 2020 permit production, HEUP & OP Permit Analysis, pending applications and *Exempt Well Reservations for the Trinity Aquifer, per District Report (*see attached Trinity Aquifer Status Report, February 2020*).

8) **The Modeled Available Groundwater calculations determined by the Executive Administrator of the Texas Water Development Board.**

Refer to #7 above. The modeled available groundwater will not be exceeded but is relatively close for the Middle Trinity as compared to the Lower Trinity by granting this permit. (*see attached Trinity Aquifer Status Report, February 2020*).

9) **The Executive Administrator of the Texas Water Development Board's estimate of the current and projected amount of groundwater produced under the exemptions in District Rule 8.3.**

Refer to #7 above. Reservation of Modeled available groundwater for exempt well use will not be exceeded by granting this permit. 548 ac-ft/year vs 490 ac-ft estimated to be used annually in the Middle Trinity. 178 ac-ft reserved vs 52 ac-ft estimated being used in the Lower Trinity. (*see district exempt use report*)

10) The amount of groundwater authorized under permits previously issued by the District.

Refer to #7 above. Existing permits do not exceed the managed available groundwater (*modeled available groundwater – exempt well use = Managed available groundwater*) for either the Middle (83 ac-ft per year remaining) or the Lower Trinity (7,015 ac-ft per year remaining) Layers of the Aquifer.

11) A reasonable estimate of the amount of groundwater that is produced under permits issued by the District.

The total permitted amounts for wells in the Middle Trinity Aquifer in 2020 was **467.70 acre-feet** and the actual production in 2020 was **93.69 acre-feet (2%)** of permitted amount. (*Figures are based upon monthly production reports submitted to Clearwater by the permit holders in 2020*).

The total permitted amounts for wells in the Lower Trinity Aquifer in 2020 was **3914.04 acre-feet** and the actual production in 2020 was **1119.97 acre-feet (28.6%)** of permitted amount. (*Figures are based upon monthly production reports submitted to Clearwater by the permit holders in 2020*).

12) Yearly precipitation and production patterns.

Clearwater is currently in no drought management stage based on the PDI system (average running total annual rainfall) over the Aquifer in the District, is currently at **32.586** inches rain received in the last 365 days (2/09/2021) thus 98.74 % of annual expected rainfall of 33 inches. The permit holders in all of 2020 have used only 27.4 % of total permitted amounts in the Trinity Aquifer as a whole. Permit holders did not exceed their total permitted amounts in 2020. The gravity of the drought of 2011-2013, 2018 and again in summer of 2020 necessitated the need for all permit applications to be evaluated based on conservative needs and usage that is not contradicted by the current drought contingency plan stage.

Conclusions:

- CUWCD well records indicate that 1 existing well (Edwards BFZ) is located within a ¼-mile radius and 2 existing wells (Edwards BFZ) and 4 existing wells (Middle Trinity) within ½ of the proposed. These wells are listed as exempt with confirmed depths in the either the Edwards BFZ and/or Middle Trinity Aquifer.
- Proposed annual permit amount of 30 acre-feet (9,755,000 gallons/year) is an amount that will adversely impact exempt well owners in the defined ½ mile radius of the proposed operating well from the Middle Trinity causing 11 to 33 feet of drawdown annually. Reducing the production permit to 1 acre feet per year is the level necessary to avoid unnecessary impact to the wells defined in the
- The long-term pumping effects from the proposed well at the requested pumping amount is more than negligible and the effect can have a noticeable long-term effect on aquifer water levels per Keester's review, thus the drawdown will diminish the ability of other exempt aquifer users to produce water for a beneficial use. (*see attached Keester's Report*)

Recommendations:

- 1) The application for the Victory Rock LLC will need to be discussed in the public hearing and options to mitigate the concerns of the district and the affected exempt well owners.
- 2) In addition, the following confirmation of special agreed upon permit conditions:
 - a) Confirm with the applicant that reducing their application for an operating permit to less 1-acre feet per year would not meet their needs for full production of the mining on an annual basis.
 - b) Confirm with the applicant that a conservation plan utilizing construction of retention ponds for recapture purposes will be in place before operation of the proposed production well.
 - c) Confirm the applicant has a 50-year agreement with the property owner to operate the mining operation thus needs long-term assurance of groundwater production.
 - d) Confirm with the applicant's representatives the district's desire is to provide operating permits based on avoiding unnecessary impacts to existing exempt well owners in the prescribed radius of the proposed production well.
 - e) Confirm with the applicant that the district encourages they amend their application in testimony to a combination drilling & operating permit for a new well completed to the Lower Trinity (Hosston Layer) to avoid impacts to existing well exempt well owners.
 - f) Confirm the applicant understands that all "N2" operating permits required that the well will be equipped with a meter for monthly reporting.
 - g) Confirm with the applicant that the district will conduct a pumping aquifer test up to 72 hours for the purpose of assessing the aquifer hydraulics and conditions for clarity on potential impact to future users in the Lower Trinity Aquifer.
 - g) Confirm the applicant will install during well construction a removable plug that is placed in the sanitary seal for clear access into the well for acoustic water level measurements by District personnel.
 - h) Confirm that the well driller/pump installer will install a measuring tube alongside the column pipe to allow for measurement of the water level using an e-line or other direct measurement method.
 - i) Confirm that District will have access to the well head for the purpose of assessing actual changes in water levels due to pumping from the proposed well.
 - j) Confirm that the District will have access for the purpose of water quality screening/testing the groundwater on an annual base.

Attachments are as follows:

Mike Keester, PG Drawdown Analysis
CUWCD Trinity Aquifer Status Report
CUWCD 2019 Exempt Well Estimate of Use Report
Applications, fees and Notification Affidavit

Well # N2-20-007P
02/09/2021
12/31/2019
See Attached

Trinity Aquifer Status Report – February 2021

DFC Analysis Over Time (2000-Present) Modeled Available Groundwater		HEUP and OP Permit Analysis Relative to the Modeled Available Groundwater			2021 YTD Total Prod. Jan		Pending Applications		Exempt Well Reservations			
		DFC Adopted * Average Drawdown (by layer)	MAG ** Ac-ft Current	HEUP Ac-ft (by layer)	OP Ac-ft (by layer)	Total Permitted Ac-ft (by layer)	2020 YTD Prod. (by layer)	2021 YTD Prod. (by layer)	Available for Permitting Ac-ft (by layer)	Pending Applications Ac-ft (by layer)	Exempt Well Reserve Ac-ft (by layer)	2020 Exempt Well Use Estimate Ac-ft (by layer)
Trinity Aquifer (by layer)												
Pawluxy	NA	0	0	0	0	0	0	0	0			0
Glen Rose (upper)	-1.38 ft/yr -83 ft/60 yrs	974	61.9	72.13	134.03	25.85	0.34	146.97	0	693	194	499
Hensell (middle)	-2.28 ft/yr -137 ft/60 yrs	1099	259.3	208.40	467.70	93.69	6.81	83.30	30.00	548	524	24
Hosston (lower)	-5.50 ft/yr -330 ft/60 yrs	7193	1181.4	2732.64	3914.04	1119.97	89.37	3100.96	*** 1702.8	178	53	125
Total		9266	1502.6	2996.61	4515.77	1239.50 (27.45%)	96.52 (2.14%)	3331.62	1702.8	1419	771	648

*Desired Future Conditions (DFC) is the description of how the aquifer should look in the future (60 years).

**The Modeled Available Groundwater (MAG) is the estimated amount of water available for permitting assigned to Clearwater UWCD by the Executive Administrator of TWDB.

***Pending applications in the Hosston Layer (Lower)

Trinity Oasis LLC Operating Permit N2-13-002P (1702.8 ac-ft/yr) [this permit amount not reflected in Trinity Aquifer total permit amount; production contingent on ICEQ approval and plant construction]
 Victory Rock LLC Operating Permit N2-20-007G (30 ac-ft/yr)

LRE Water Analysis



Technical Memorandum

To: Dirk Aaron, General Manager –
Clearwater Underground Water Conservation District

From: Michael R. Keester, PG

Date: February 9, 2021

Subject: Hydrogeologic Review of the Victory Rock, LLC Operating Permit Application

This technical memorandum provides information related to our review of the permit application with the following parameters:

- **Proposed Well ID:** *N2-20-007G*
- **Well Name:** *Victory Rock LLC*
- **Tract Size:** *283 acres*
- **Column Pipe Size:** *Maximum 2-inch*
- **Aquifer:** *Hensell Layer of the Trinity Aquifer (Middle Trinity)*
- **Proposed Annual Production:** *30 Acre-Feet per Year*
- **Proposed Instantaneous Pumping Rate:** *18.6 Gallons per Minute*

The potential effects of the proposed production on local water levels in the aquifer are calculated using the Theis equation¹ which relates water level decline (that is, drawdown) to the pumping rate of a well and properties of the aquifer. While the equation does not account for aquifer conditions which may affect the calculation of long-term water level declines (for example: aquifer recharge, faulting, or changes in aquifer structure), it does provide a very good, reliable, and straightforward method for estimating relatively short-term drawdown in and near a well due to pumping. As the duration of pumping and distance from the well increase, the uncertainty in the calculated drawdown also increases. To assess the potential effects from the proposed production, we used values from the groundwater availability model (GAM) datasets²

¹ Theis, C.V., 1935, The Relation Between the Lowering of the Piezometric Surface and the Rate and Duration of Discharge of a Well Using Ground-Water Storage: American Geophysical Union Transactions, v. 16, p. 519-524.

² Groundwater availability model (GAM) datasets include the Northern Trinity/Woodbine GAM (for the Middle Trinity Aquifer) and the modified Northern Trinity/Woodbine GAM (for the Lower Trinity Aquifer).

and from the results of a pumping test conducted using well N2-14-003P located approximately about seven miles west from the applicant's well³.

A transmissivity value is essentially a measure of how easily water can move through an aquifer. In the Theis equation, with all other factors being equal, a higher transmissivity value results in less predicted drawdown. The GAM dataset indicates the transmissivity of the Middle Trinity Aquifer at the applicant's well location is about 375 gallons per day per foot (gpd/ft). However, results from the N2-14-003P pumping test indicate the transmissivity is higher than represented in the GAM with the calculated transmissivity at that location being approximately 1,800 gpd/ft. In addition, drilling reports for nearby wells E-19-034P and E-19-051P indicate potential production from these wells of more than 200 gallons per minute which also suggests aquifer transmissivity values in the GAM are too low.

Table 1 presents the range in calculated drawdown at the proposed well and at other nearby wells completed in the same aquifer using the transmissivity value from the GAM and the value from the N2-14-003P pumping test. For *1-Day Drawdown*, we applied the proposed instantaneous pumping rate for a period of 24 hours. For *30-Day Drawdown*, we assumed peak pumping during the summer of about 15 percent more than the average monthly amount (that is, the proposed annual production rate divided by 12 then multiplied by 1.15). For *1-Year Drawdown*, we used the proposed annual production amount.

Table 1 provides the predicted drawdown using the rates provided in the application. However, to achieve 30 acre-feet per year at 18.6 gallons per minute would require the well to operate continuously (that is, 24 hour per day for the entire year). If we assume a 33 percent operational time, the annual production reduces to 10 acre-feet per year. It would be unusual for a well to operate continuously for a full year and we believe the 33 percent operational time is more reasonable. As such we also simulated the effects of production from the well with the same instantaneous rate, but with the annual rate of 10 acre-feet per year. As shown in Table 2, reducing the annual production by one-third also reduces the predicted drawdown by about one-third.

³ RS Materials Well pumping test conducted January 2-5, 2018.

Table 1. Predicted drawdown at existing wells completed in the Middle Trinity Aquifer located within one mile of the Victory Rock, LLC well (CUWCD ID: N2-20-007G).

Well Name	Distance from Proposed Well (feet)	1-Day Drawdown (feet)	30-Day Drawdown (feet)	1-Year Drawdown (feet)
Victory Rock LLC (N2-20-007G)	1	20 to 84	28 to 122	27 to 120
E-20-123P (Baird)	1,634	20 to 87	28 to 122	27 to 120
E-20-124P (Deweese)	2,077	3 to 5	7 to 26	9 to 36
E-19-051P (Baird)	2,156	2 to 3	7 to 23	9 to 34
E-20-111P (Watkins)	2,548	2 to 3	7 to 22	9 to 33
N2-19-002P (Centex Acres 2)	3,112	2	6 to 20	8 to 31
N2-19-001P (Centex Acres 1)	3,239	1 to Negligible	6 to 17	8 to 29
E-19-221P (Marsden)	3,513	1 to Negligible	6 to 17	8 to 29
E-19-233P (Pahlke)	4,369	1 to Negligible	5 to 16	8 to 28
E-02-1551G (Sybert)	4,460	Negligible	5 to 13	7 to 25
E-19-034P (Butler)	5,148	Negligible	5 to 13	7 to 25
E-06-048P (KSC Properties)	5,427	Negligible	4 to 11	7 to 23

Table 2. Predicted drawdown from 10 acre-feet per year of production at existing wells completed in the Middle Trinity Aquifer located within one mile of the Victory Rock, LLC well (CUWCD ID: N2-20-007G).

Well Name	Distance from Proposed Well (feet)	1-Day Drawdown (feet)	30-Day Drawdown (feet)	1-Year Drawdown (feet)
Victory Rock LLC (N2-20-007G)	1	20 to 87	9 to 41	9 to 40
E-20-123P (Baird)	1,634	3 to 5	2 to 9	3 to 12
E-20-124P (Deweese)	2,077	2 to 3	2 to 8	3 to 11
E-19-051P (Baird)	2,156	2 to 3	2 to 7	3 to 11
E-20-111P (Watkins)	2,548	2	2 to 7	3 to 10
N2-19-002P (Centex Acres 2)	3,112	1 to Negligible	2 to 6	3 to 10
N2-19-001P (Centex Acres 1)	3,239	1 to Negligible	2 to 6	3 to 10
E-19-221P (Marsden)	3,513	1 to Negligible	2 to 5	3 to 9
E-19-233P (Pahlke)	4,369	Negligible	2 to 4	2 to 8
E-02-1551G (Sybert)	4,460	Negligible	2 to 4	2 to 8
E-19-034P (Butler)	5,148	Negligible	1 to 4	2 to 8
E-06-048P (KSC Properties)	5,427	Negligible	1 to 4	2 to 8

The predicted drawdown presented in Table 1 and Table 2 is based on our current understanding of the aquifer hydraulic properties for the Hensell layer of the Trinity Aquifer (that is, Middle Trinity Aquifer) and the estimated production from the proposed well. The predicted drawdown values presented do not include the effects from other wells pumping near the proposed well. Predicted drawdown of less than one foot is considered negligible for analysis purposes due to inherent uncertainty in the aquifer hydraulic characteristics. Table 1 and Table 2 present the predicted drawdown in the Middle Trinity at existing wells within one-mile of the applicant's well when it is producing 30 acre-feet per year and 10 acre-feet per year, respectively. For the predicted drawdown to be negligible at the nearest existing well, production from the applicant's well would have to be approximately one (1) acre foot per year.

On October 9, 2020 the District measured the static water level in the applicant’s well as being 454 feet below ground level (BGL). We compared the measurement to other nearby measurements and found the depth to water in the applicant’s well to be similar to the values at other nearby Middle Trinity well locations. Using this water level, completion information from the State Well Report for the well, predicted drawdown (Table 1), and annual water-level decline⁴ we calculated the available drawdown in the well (that is, the height of water above a minimum pumping level). For the minimum pumping level, we assumed the pump is set at the top of the screen and that the pumping water level must remain 20 feet above the pump to maintain operation. Using the available drawdown and other data, we then estimated number of years of groundwater available at the proposed pumping rate (see Table 3).

Table 3. Estimated years of groundwater available to the well from the Middle Trinity Aquifer based on available information.

Parameter	30 Acre-Feet per Year	10 Acre-Feet per Year
Static Water Level	454 feet BGL	
Top of Screen	800 feet BGL	
Minimum Pumping Water Level	780 feet BGL	
Current Available Drawdown	326 feet	
1-Year Drawdown	27 to 120 feet	9 to 40 feet
Instantaneous Drawdown	20 to 84 feet	
1-Year Pumping Water Level	501 to 658 feet BGL	483 to 578 feet BGL
1-Year Available Drawdown	122 to 279 feet	202 to 297 feet
Approx. Annual Water-Level Decline	10 feet per year	
Approx. Groundwater Availability	12 to 28 years	20 to 30 years

Based on the current aquifer conditions and the transmissivity from the GAM datasets, at the proposed pumping rate the pump would need to be lowered into the screen interval after about 12 years. After about 12 years at the proposed pumping rate, water levels would begin falling below the top of the screen interval which could introduce oxidizing conditions into the aquifer. These conditions could create water quality concerns at the well location or affect productivity as water levels continue to decline. If the aquifer conditions are similar to the N2-14-003P location, we would expect water levels to remain above the minimum pumping level for about 28 years. With the range and uncertainty in Middle Trinity Aquifer transmissivity estimates for the location, we recommend conducting a 72-hour pumping test using the well to provide for better

⁴ Calculated using the CUWCD Aquifer Status Tool.

planning of future pump lowering and well maintenance required to due declining water levels.

Figure 1 is a map identifying known wells completed in the Middle Trinity Aquifer that are located within one mile of the applicant’s well. The wells shown on Figure 1 are the same as those for which drawdown estimates are provided in Table 1. As an alternative to the Middle Trinity, the applicant may consider completing a well to the deeper Lower Trinity Aquifer. According the District virtual bore tool, the Lower Trinity Aquifer (that is, Hosston Formation) is about 1,200 feet BGL and 250 feet thick (see Figure 2).

As shown on Figure 3, there are currently no other wells completed in the Lower Trinity Aquifer within one mile of the applicant’s well. Review of the District’s modified GAM indicates the transmissivity of the Lower Trinity at the well site is about 24,000 gpd/ft. With the higher transmissivity, the predicted drawdown at the well location is about two (2) feet after one year at the proposed production rate with no drawdown in the nearby Middle Trinity wells. Also, predicted drawdown one-quarter mile from the well would be negligible. Based on current conditions, we would expect Lower Trinity Aquifer water levels to remain above the minimum pumping level for about 40 to 50 years (see Table 4).

Table 4. Estimated years of groundwater available to the well from the Lower Trinity Aquifer based on available information.

Parameter	Value
Static Water Level	400 feet BGL
Top of Screen	1,200 feet BGL
Minimum Pumping Water Level	1,180 feet BGL
Current Available Drawdown	780 feet
1-Year Drawdown	2 feet
Instantaneous Drawdown	1.5 feet
1-Year Pumping Water Level	404 feet BGL
1-Year Available Drawdown	776 feet
Approx. Annual Water-Level Decline	15 to 20 feet per year
Approx. Groundwater Availability	40 to 50 years

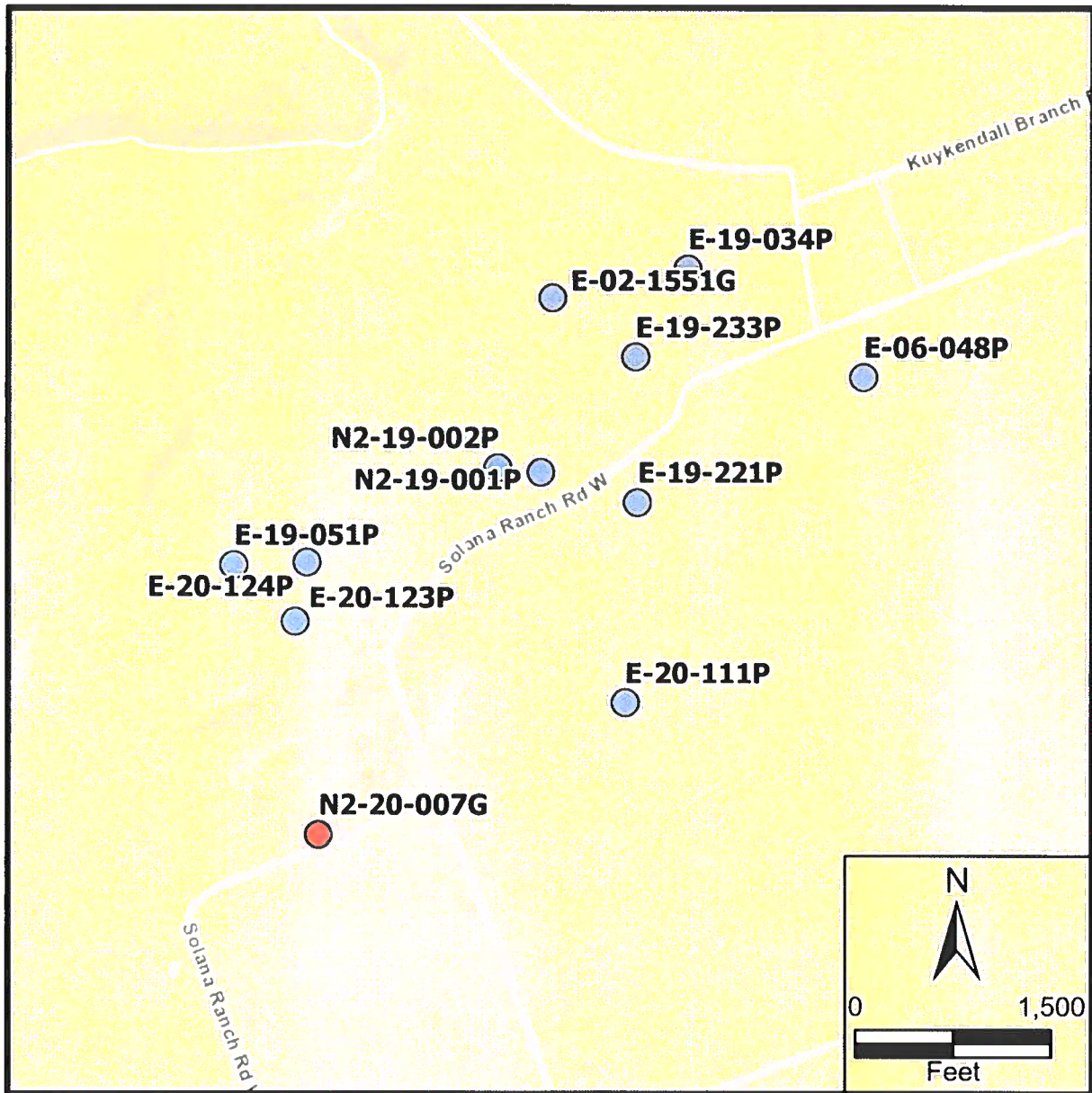


Figure 1. All known wells completed in the Middle Trinity Aquifer (Hensell layer) within one mile of the applicant's well.

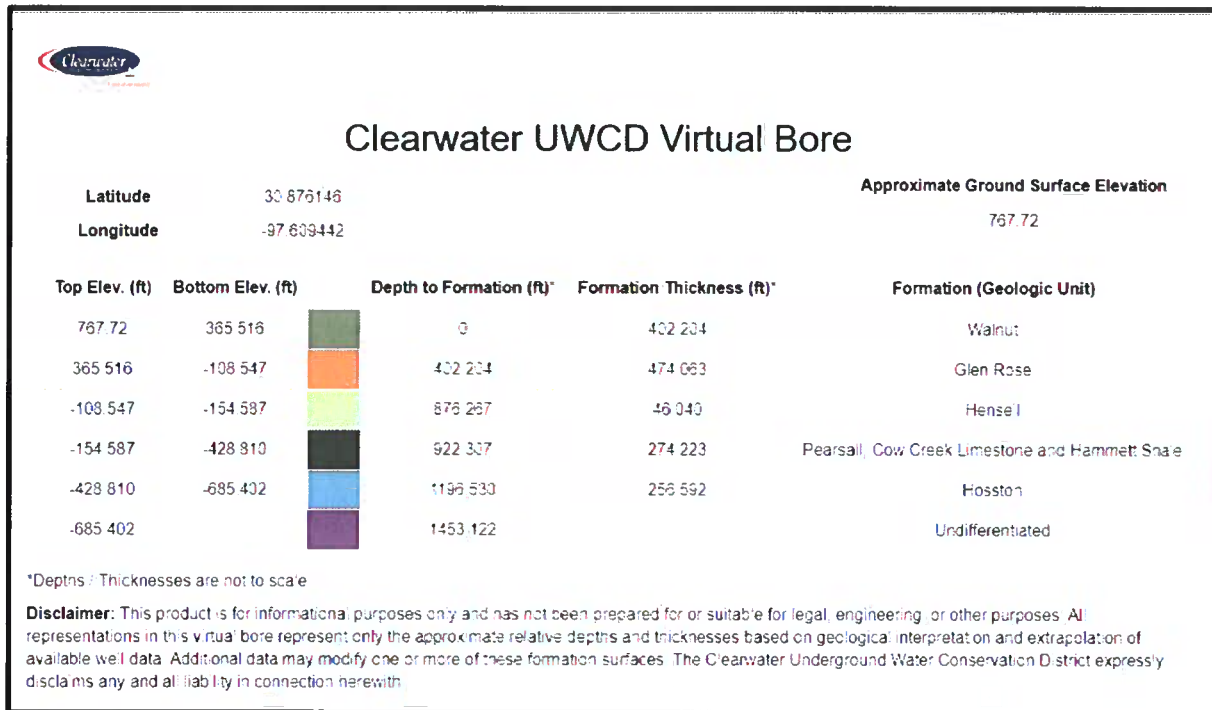


Figure 2. Estimated depth to the formations at the applicant's well location

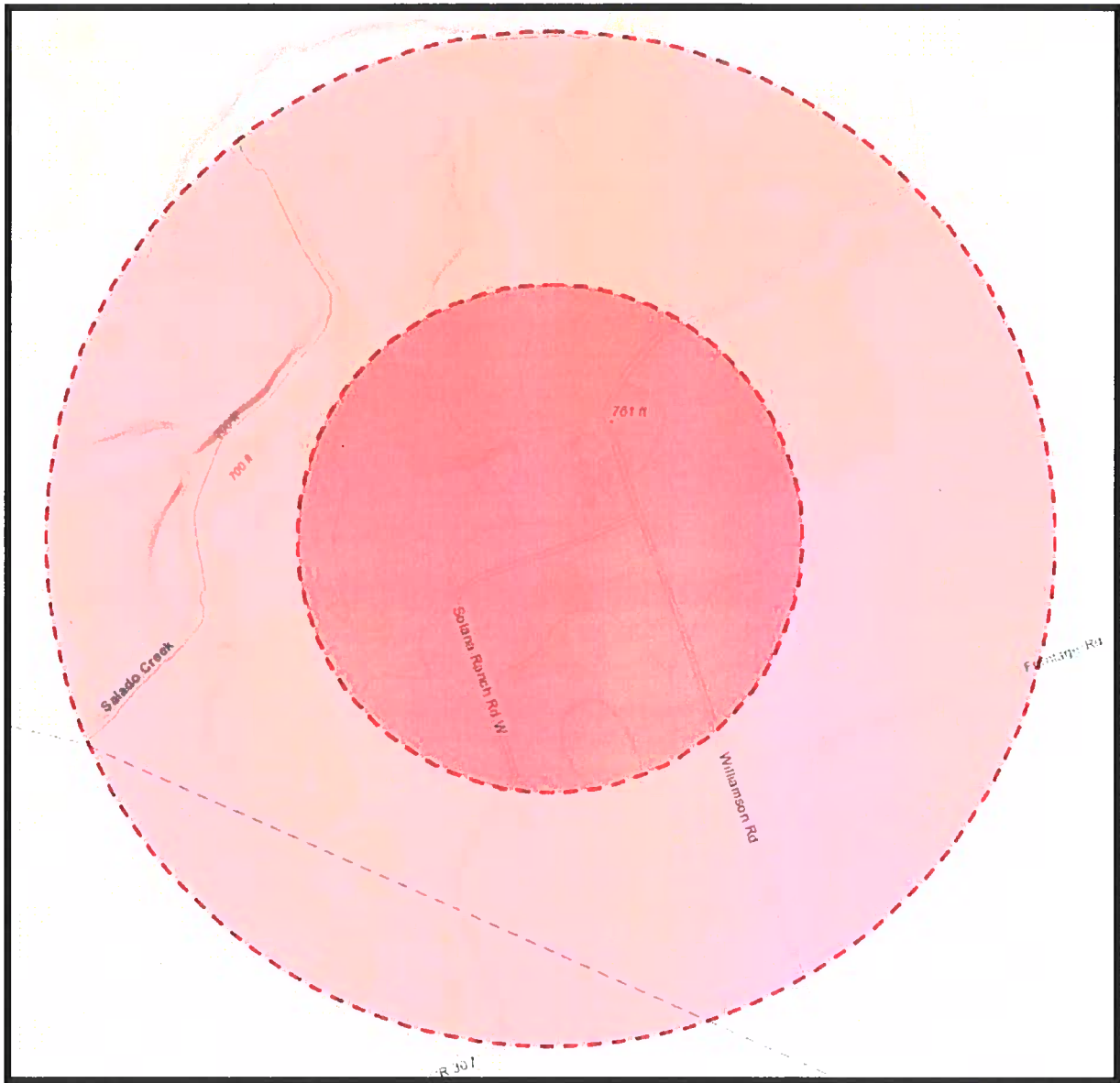


Figure 3. Radius map generated by CUWCD illustrating all wells completed in the Lower Trinity Aquifer (Hosston layer) within one-half mile and one mile of the applicant's well.

Conclusions and Recommendations

There is uncertainty regarding the Middle Trinity Aquifer transmissivity at the Victory Rock, LLC well location. Information from nearby wells suggest the transmissivity may be higher than the value from the GAM datasets. However, due to the uncertainty we recommend using the transmissivity value from the GAM as a conservative value for considering the potential drawdown associated with the proposed production.

Using the conservative transmissivity value for the Middle Trinity Aquifer, the predicted drawdown at the requested 30 acre-feet per year is 120 feet after one (1) year of pumping. Assuming the well will only operate 33 percent of the time (that is, eight hours per day on average), reduces the pumping amount to 10 acre-feet per year and results in 40 feet of predicted drawdown. At the nearest existing Middle Trinity Aquifer well, the predicted drawdown at these annual rates is 33 and 11 feet, respectively. To reduce the predicted drawdown to a negligible amount at the nearest existing well would require an annual pumping rate from the applicant's well of approximately one (1) acre-foot per year.

Lower Trinity Aquifer conditions at the well site suggest greater long-term groundwater availability. The predicted drawdown from the proposed production only about two (2) feet at the well location. In addition, there are no nearby wells completed in the Lower Trinity Aquifer and the drawdown caused by a well completed in the Lower Trinity would have no or negligible impact on a well completed in the Middle Trinity Aquifer. In addition, predicted drawdown one-quarter mile from a well completed at the site in the Lower Trinity Aquifer producing 30 acre-feet per year would be negligible.

As a "N2" permitted well, we are aware the applicant will be required to have a meter on the discharge pipe and a water-level monitoring tube installed in the well. The following summarizes our additional recommendations associated with approval of the operating permit:


- Upon discussion and coordination with the District, consider the installation of automated water-level monitoring equipment, for potential incorporation into the District's water-level monitoring network.
- For the Middle Trinity Aquifer, conduct a 72-hour pumping test to determine the site-specific transmissivity and storativity of the aquifer. Testing could be performed with the assistance of District personnel. The results of testing would allow the applicant to better plan for necessary lowering of the pump in the well and the potential impact on other nearby wells completed in the same aquifer.
- For the Lower Trinity Aquifer:
 - Obtain a geophysical log of the open hole following drilling

- Conduct a 24 to 72 hour pumping test to assess aquifer transmissivity
- Coordinate with District staff regarding the specifications for the geophysical logging and pumping test

If you have any questions regarding our review, please let us know.

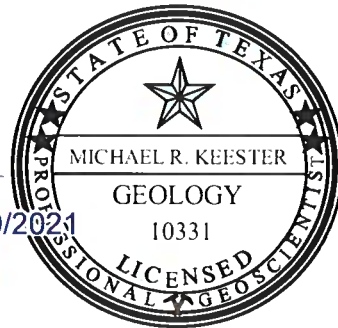
Geoscientist Seal

This report documents the work of the following licensed professional geoscientist with LRE Water, LLC, a licensed professional geoscientist firm in the State of Texas (License No. 50516).



Michael R. Keester, P.G.
Senior Project Manager | Hydrogeologist

02/09/2021



CUWCD Exempt Well Use



CUWCD Exempt Well Use Summary

As of: 2/9/2021

Aquifer	Total Active Registered Exempt Wells ¹	Registered Domestic Wells	Estimated Domestic Use Gallons/Day ^{2,3}	Estimated Domestic Use Ac-ft/Year ^{2,3}	Registered Stock Wells	Estimated Stock Use Gallons/Day ⁴	Estimated Stock Use Ac-ft/Year ⁴	Total Estimated Use Gallons/Day ⁷	Total Estimated Exempt Well Use Ac-ft/Year ⁷	MAG Reserved Exempt Well Use
Glen Rose (Upper Trinity)	433	357	102,689	115	82	70,848	79	173,537	194	
Hensell (Middle Trinity)	965	905	415,691	466	60	51,880	58	467,531	524	
Houston (Lower Trinity)	140	129	37,740	42	11	9,504	11	47,244	53	
Trinity (Total)	1,538	1,391	556,120	623	153	132,232	148	688,312	771	1,412
Edwards BFD	816	679	198,643	223	131	113,184	127	311,827	349	625
Edwards Equivalent	490	387	113,221	127	103	88,902	100	202,213	227	
Buda	28	15	4,388	5	13	11,232	13	15,620	17	
Lake Waco	8	3	878	1	5	4,320	5	5,198	6	
Austin Chalk	226	142	41,544	47	84	72,576	81	114,120	128	
Ozan	166	118	34,522	39	48	41,472	46	75,994	85	
Pecan Gap	67	44	12,873	14	23	19,872	22	32,745	37	
Kemp	15	11	3,218	4	4	3,456	4	6,674	7	
Alluvium	570	362	105,907	119	208	179,312	201	285,619	320	
Other ⁵	1,570	1,092	318,550	355	485	421,532	472	738,182	827	
CUWCD Total Active	3,918	3,146	1,071,318	1,200	772	667,008	747	1,738,326	1,947	

1. Domestic use estimate assumes 106 gallons/person per day (USGS estimate of domestic use outside of a municipal water system) and 2.76 persons/household (U.S. Census Bureau, Population Estimates Program (PEP) July 1, 2019)

2. Benjamin G. Wherley, Ph.D. Associate Professor- Turfgrass Science & Ecology Dept. of Soil and Crop Sciences Texas A&M University estimate of 2,000ft² warm season turfgrass requires 38,855gal/yr/lawn or 106gal/day/lawn; "Ranchette" Avg. lawn size is 13,042ft², 6.5X larger; 6.5 X 106gal/day/lawn= 689gal/day/lawn; ~217 "Ranchette" Middle Trinity Wells, 689 X 217=an additional 150,924gal/day/lawn; **490ac-ft/yr or an 89% increase in Middle Trinity exempt well use from the 2018 estimate of 258ac-ft/yr.**

3. Exempt well use estimate factors out all plugged, capped, monitor and inactive wells in the database

4. Source of stock water estimates is Texas Agrilife Extension @ 18 gallons water per day per cow. Livestock water use estimates are based on the 2017 Census of Agriculture, USDA National Agricultural Statistics Service. 36,868 cows / 771 stock wells= 48 cows/stock well. 48* 18gpd= 846 gal/day/stock well. **747ac-ft/yr or a 34% increase in annual stock use from the 2018 estimate of 556ac-ft/yr.**

5. The "Other" designation is the total of minor aquifer and alluvium source designation of the exempt wells

6. Trinity Aquifer wells registered with unknown depth are assigned to the Middle Trinity per Board decision.

7. All estimates of groundwater use by exempt well owners is based on assumptions and scientific data, but by no means are they to be interpreted as recommended practices by CUWCD.

Notification

January __, 2021

NOTICE OF APPLICATION FOR AN OPERATING PERMIT

Name
Address
City, State Zip

**VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

RE: Application for an Operating Permit Associated with an Existing Well

To Whom It May Concern:

On behalf of Victory Rock Texas LLC, I Jon Taliaferro as Project Manager with Sage ATC Environmental, have made application to the Clearwater Underground Water Conservation District (CUWCD) on December 6, 2020, for an operating permit to authorize production of groundwater not to exceed 30 ac-ft (9,775,000 gallons) per year from an existing well (N2-20-007G) completed in the Hensell Layer of Trinity aquifer to produce water for beneficial use for the purpose of mining and crushing aggregates.

Victory Rock Texas LLC is proposing an operating permit with agreed upon special provisions that allow permitted production on property leased from Byron Goode totaling 283 contiguous acres. The permit condition is to include an advanced aquifer 36 hour pumping test of the well with enhanced aquifer monitoring to correlate the permitted production with additional understanding of the aquifer conditions in the Hensell Layer of the Trinity Aquifer. The test is designed to yield additional valuable data for Victory Rock and CUWCD for general regulatory purposes and assist the District and other well owners with in-depth scientific discernment of the Hensell Layer of the Trinity aquifer and potential radius of influence on wells within ½ mile of the existing well.

The operator will be required to install a metering device for required monthly reporting of production to CUWCD. In addition, the applicant will install an observation tremie tube inside the well casing to the pump depth, for monthly static water level measurements necessary for CUWCD to monitor aquifer conditions.

CUWCD well #N2-20-007G is currently registered as an exempt well and has been inactive for an unknown amount of time. The well is completed to 880 feet below land surface, screened in the Hensell Layer of the Trinity Aquifer at 800 – 880 feet below land surface. The well will be reworked and equipped with a maximum 2-inch column pipe for a submersible pump rated at 18.6 gallons per minute on the 283-acre tract located at 7170 Solana Ranch Rd West, Jarrell Texas 76537-5008, Latitude 30.876156', Longitude -97.609424' to produce groundwater for beneficial use for the purpose of mining and crushing aggregates.

This application will be set for hearing before the CUWCD Board upon notice posted at the Bell County Courthouse Annex and at the CUWCD Office. If you would like to support, protest, or provide comments on this application, you must appear at the hearing and comply with District Rule 6.10. For additional information about this application or the permitting process, please contact CUWCD at 700 Kennedy Court (PO Box 1989), Belton, Texas 76513, 254-933-0120. I, the applicant's representative, Mr. Jon Taliaferro may be contacted at 715 Discovery Blvd., Suite 301, Cedar Park TX 78613, or by calling (361)215-9994.

Sincerely,

Jon Taliaferro
Project Manager
Sage ATC Environmental Consulting LLC

**NOTICE OF APPLICATION TO FOR AN OPERATING PERMIT
FROM THE
CLEARWATER UNDERGROUND WATER CONSERVATION DISTRICT**

Victory Rock Texas LLC, by Project Manager, Jon Taliaferro with Sage ATC Environmental, has made application to the Clearwater Underground Water Conservation District (CUWCD) on December 6, 2020, for an operating permit to authorize production of groundwater not to exceed 30 ac-ft (9,775,000 gallons) per year from an existing well (N2-20-007G) completed in the Hensell Layer of Trinity aquifer to produce water for beneficial use for the purpose of mining and crushing aggregates.

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Publisher's Affidavit

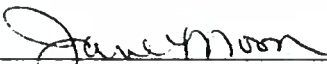
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County of Bell



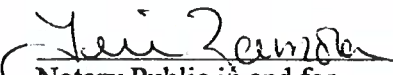
Before Me, The Undersigned Authority, this day personally appeared Jane Moon after being by me duly sworn, says that she is the Classified Manager Inside Sales of the Temple Daily Telegram, a newspaper published in Bell County, Texas and that the stated advertisement was published in said newspaper on the following date(s):

January 15, 2021

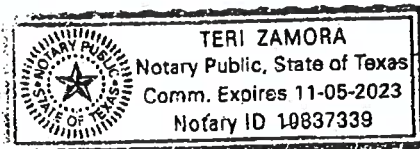
For: Victory Rock Texas LLC
Ad #: 16664650
Cost: \$223.80
Times Published: 1


Jane Moon
Classified Manager Inside Sales

Subscribed and sworn to before me,
this day: January 15, 2021


Notary Public in and for
Bell County, Texas

(Seal)



NOTICE OF APPLICATION FOR AN OPERATING PERMIT FROM THE CLEARWATER UNDERGROUND WATER CONSERVATION DISTRICT

Victory Rock Texas LLC, by Project Manager, Jon Taliaferro with Sage ATC Environmental, has made application to the Clearwater Underground Water Conservation District (CUWCD) on December 4, 2020, for an operating permit to authorize production of groundwater not to exceed 30 ac-ft (9,775,000 gallons) per year from an existing well (N2-20-007G) completed in the Hensell Layer of Trinity aquifer to produce water for beneficial use for the purpose of mining and crushing aggregates.

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 By THOMAS JOSEPH

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 44 Car
 6 Tool
 11 Jim
 14 Jim
 15 Jim
 16 Counting number
 18 Pole
 19 The Matrix hero
 20 Broad
 21 Deliberate
 23 Easy gait
 25 Place to park

DOWN

1 Coffee bar orders
 2 An
 3 Pary
 4 Sand
 5 Admit
 6 Study of the past
 7 Writer
 8 Pits in command
 9 Conical abodes
 10 Boat back
 11 Capture
 12 Court
 14 Limp's call
 16 Came to
 17 Highly tested
 19 Yoga need
 21 Be shy
 22 Gibson of 'Fast 2 Funos'
 23 Top-notch
 24 Elbows on the table
 26 Secluded spot
 28 Clock numerical

Yesterday's answer

ACROSS

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8	4	1			
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	2			9	
5	7	3	6		
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7	8				9

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Using the numbers provided complete the grid so that every row, column, and 3x3 square contains the numbers 1-9 without duplications. Find solutions tips and computer program at www.sudoku.com

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One letter stands for another. In this sample, A is used for the three L's, X for the two O's, etc. Single letters, apostrophes, the length and formation of the words are all hints. Each day the code letters are different.

1-15 CRYPTOQUOTE

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 KGHM KS RSSX UHWHYXS CR
 OCDBT. KGDXS CMGSL FE0ZS
 EL YT KGHM KS GHPS HXASHOT
 OCBS. — G.K. XCBZRSXCK

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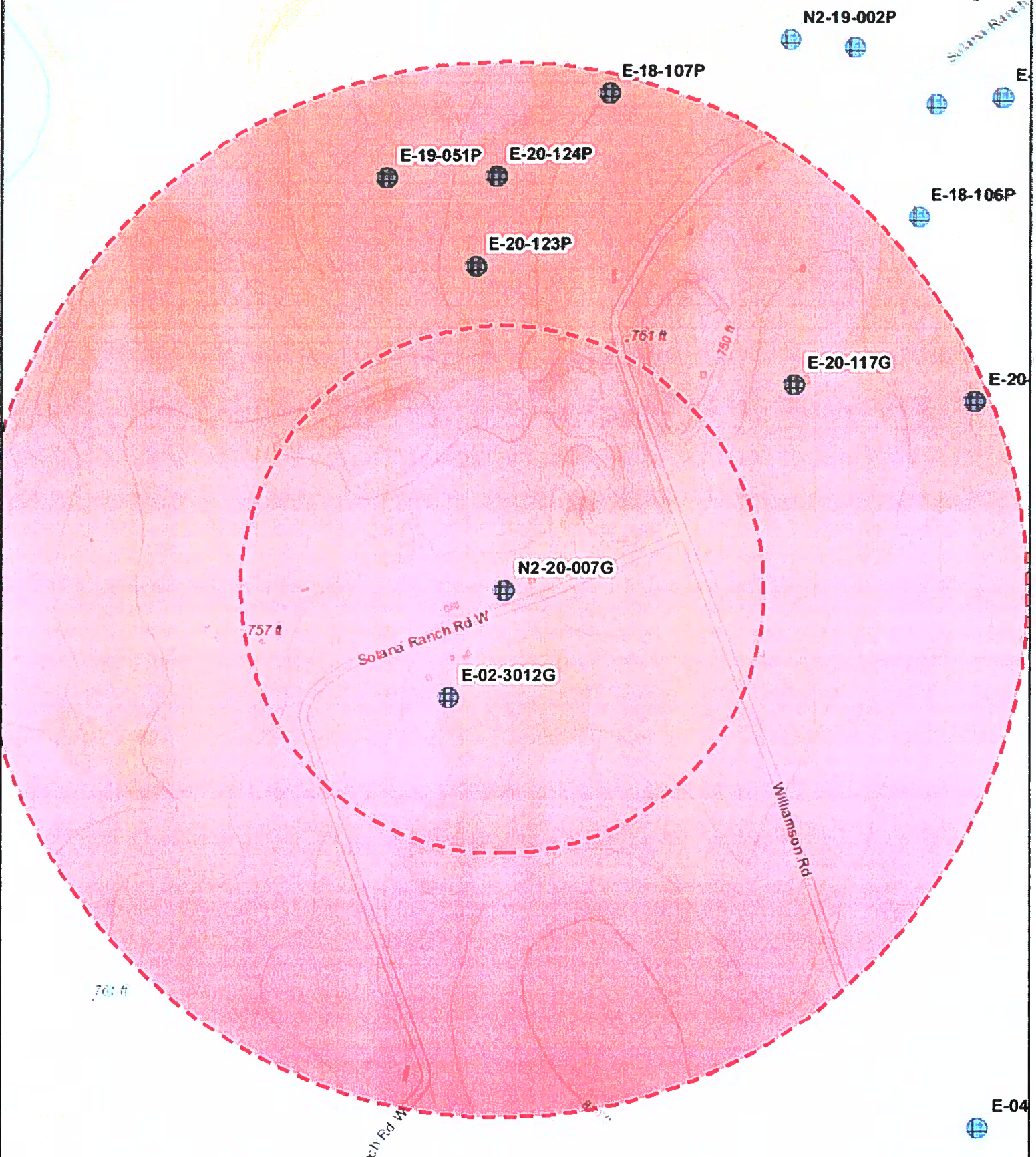
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Victory Rock Radius Map



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

Permit Hearing - Item #7
7KX Investments



Phone: 254/933-0120 Fax: 254/933-8196
P.O. Box 1989, Belton, TX 76813

Every drop counts!

APPLICATION FOR NON-EXEMPT WELL CLASSIFICATION 2

RECEIVED
JAN 08 2021

A NON-EXEMPT WELL, CLASSIFICATION 2 is a well that satisfies the following conditions:

- 1) A water well used for purposes other than domestic, livestock or poultry; or
- 2) A water well that is drilled, equipped or completed so that it is capable of producing more than 25,000 gals/day.

Check one of the following:

DRILLING PERMIT

(Complete Sections 1, 2, 3, 4 & 7)

New Well

N2-19-005P
7KX #10

Replacement Well

OPERATING PERMIT

(Complete Sections 1, 5 & 7; update Sections 2, 3, & 4 if different from Drilling Permit)

Water to Remain in District

Water to be Exported Outside District*

PERMIT AMENDMENT

Modify Dilling Permit (Complete Sections 1,2,3,4 & 7)

Modify Operating Permit (Complete Sections 1,5 & 7)

Change in Well Ownership (Complete Sections 1 & 7)

An application for an **Operating Permit** must be filed within 30 days of completing a new well, or reworking/re-equipping an existing well.

A **Hydrogeological Report** is required for 1) Operating Permit applications requesting an annual maximum permitted use of more than 37 acre-feet; or 2) amendments to increase production or production capacity of a public water supply, municipal, commercial, industrial, agricultural or irrigation well with an outside casing diameter greater than 6 5/8 inches as discussed in District Rule 6.9.2.

*Requests to export water outside the District must also complete Section 7.

Per Rule District Rule 9.3 and State Law TDLR all *State of Texas Well Reports* are due to the District within **60 days of well completion**.

NW Per District Rule 9.3.3 at completion of all wells Water Quality Assessment is required by the Pump Installer and/or Well Driller. District Staff will provide screen test, sample bottles, and coordinate with Pump Installer or Driller to retrieve the sample within **45 days of the well completion**. Temporary pump to purge the well is required should the well not have pump permanently installed in first 45 days. This requirement is for operating permits 37 ac. ft. or less.

1. Owner Information

Note: If well owner is different from property owner, provide documentation from property owner authorizing well construction and operation.

Well Owner: 7KX Ranches Email: _____ Telephone No.: 254-947-5577

Address: P.O. Box 297 Salado TX 76571
(Street or P.O. Box) (City) (State) (Zip Code)

Contact Person (if other than owner): Glenn Hodge Telephone No.: _____

If ownership of well has changed, name of previous owner _____ State Well No. _____

2. Property Location & Proposed Well Location

Owner of property (if different from well owner): 7KX Investments

Property is located 1 miles SW of Salado on FM 2843
(Number) (N,S,E,W) (Nearest City or Town) (Name of Road)

Acreage: 374.03 Bell CAD Property ID # 109974 Latitude: 30.912222 Longitude: -97.556944

3. Well Description (Submit if State of Texas Well Report is available)

a. Proposed use of well and estimated amount of water to be used for each purpose:

_____ *Domestic; _____ Livestock/Poultry; _____ Agricultural/Irrigation;
_____ Industrial; x **Public Supply; _____ Other.

*Total number of houses to be serviced by the well 1,666

**Notice is required of any application to the TCEQ to obtain or modify a Certificate of Convenience and Necessity to provide water or wastewater service with water obtained pursuant to the requested permit.

b. Estimated distance from nearest:(feet)

486 N / S Property Line; 1,400 E / W Property Line; 900 Existing Septic Leach Field;
200 River, Stream or Lake; 900 Existing Water Well; _____ Livestock Enclosure;
_____ Other Source of Contamination (cemetery, pesticide mixing/loading, petroleum storage tank, etc.)

c. Estimated rate of withdrawal (GPM): 1,000 d. Is property subject to flooding: Yes No

e. Is there another well on the property? Yes No f. Is the well part of a multi-well aggregate system? Yes No
If yes, how many wells? 2 List State Well Numbers: _____

g. Attach the following:

- tax plat map indicating the location of the proposed well or the existing well to be modified, the subject property, and adjacent owners' physical addresses and mailing addresses. (Bell CAD maps if current will be accepted)
- Indicate the location of the proposed well or the existing well to be modified with a circle and dot, and the distance to the well from property lines.
- CUWCD will provide the location of all existing wells within 1/2 mile radius of the proposed well or the existing well to be modified.

NOTE: If this is a replacement well, indicate location of well that is being replaced and distance from the proposed well. Abandoned well must be properly capped or filled in accordance with state law and the rules of the District.

Groundwater Pump Installer / Well Driller Information (Required for License)

Name: Tom Lovelace TDLR Pump Installer License Number: 4920

Address: 4957 Elm Grove Rd. TDLR Well Drillers License Number: 4920
(Street or P.O. Box)

Bilton TX 76513
(City) (State) (Zip Code)

254-783-1800 loveacewaterwell@att.net
(Phone #) (Fax #) (E-mail address)

Comments/notes: _____

4. Completion Information

Provide the following information to the extent known and available at the time of application.

NOTE: Provide the complete driller's log and any mechanical log, or chemical analysis, within 60 days of completion of well. Well must be drilled within 30 feet of the location specified and not closer to any existing well or authorized well site than the District's minimum spacing rule requires.

If amending existing permit, explain requested amendment and reason for amendment:

Proposed Total Depth of Well: 195 ft; Borehole Diameter (Dia) 18 inches (in) from 0 to 125 ;
 Dia. (2) 12 in. from 125 to 195 Casing: Material steel ; Inside Diameter (ID) 14 in;
 Screen: Yes No Screen Type TBD ; Screen Dia. TBD in from _____ to _____ ft;
 # of Packers _____ ; Pump Type: Sub Turbine Power: Electric ; Horsepower Rating 100 ;
 Depth: 125 ft; Column Pipe ID: TBD in. Date Completed Mar 2021

Proposed Water Bearing Formation: DA

5. Operating Permit

NOTE: If requesting operating permits or permit renewals for multiple wells, please attach a separate sheet with the information requested below for each well.

Current operating permit annual production: 402.3 Requested increase/decrease: _____

Include statement/documentation explaining requested production:

Number of contiguous acres owned or leased on which water is to be produced: 795 acres

Total annual production requested with this operating permit: 500 acre-feet or 162,925,500 gallons

Requested annual volume to be exported out of the District: 0 Gallons (0 % of total pumpage)

NOTE: (1 acre-foot = 325,851 gallons) Withdrawals from all non-exempt wells Classification 2 must be reported to the District monthly—by the 10th of the following month

6. Export Requirements

If water is to be exported outside the District, describe the following issues and provide documents relevant to these issues:

- The availability of water in the District and in the proposed receiving area during the period requested.
- The projected effect of the proposed export on aquifer conditions, depletion, subsidence or effects on existing permit holders or other groundwater users within the District.
- How the proposed export is consistent with the approved regional water plan and certified District Management Plan.

7. Certification

I hereby certify that the information contained herein is true and correct to the best of my knowledge and belief. I certify to abide by the terms of the District Rules, the District Management Plan, and orders of the Board of Directors. I agree to comply with all District well plugging and capping guidelines as stated in the District Rules.

[Signature] 01/08/21
 Typed Name of the Owner or Designee Date

PERMIT TERMS: *Drilling Permits*—effective for 365 days from the date the permit application is approved by the Board. *Combination Drilling / Operating Permits*—effective until the end of the calendar year in which it is issued. Permits may be renewed by the General Manager, subject to any changes necessary under proportional adjustment regulations, District Rules, or the District Management Plan.

SPACING/ACREAGE REQUIREMENTS: Refer to District Rules, Section 9.5. For a well with a column pipe size of 2" or less, a minimum tract size of 2 acres is required, with a 100' setback from other well sites, and a 50' setback from property lines. Acreage and setbacks increase with larger column pipe size.

NOTICE REQUIREMENTS: Permit applicants must provide notice of filing as follows: 1) publication in a newspaper of general circulation in the District; and 2) certified mail, return receipt requested, to all adjacent property owners and owners of wells located within ¼ mile radius of the existing well or proposed well that is the subject of the application. The District will provide the appropriate forms for notification. Applicant must provide 1) proof of publication of public notice; and 2) proof of receipt by certified mail of the public notice to property owners as

SUBMIT FOR ADMIN REVIEW

January 11, 2020

Clearwater Underground Water Conservation District
P. O. Box 1989
Belton, TX 76513

Attn: Dirk Aaron, General Manager Re:

Subject: 7KX Ranches Drilling Permit Application

Dear Sir:



KX Investments (dba 7KX Ranches) proposes to construct one public water supply well on its property ID: 109974 (345.97 acre tract) south of the Village of Salado in Bell County, Texas. 7KX Ranches currently owns two (2) groundwater production wells with Historic & Existing use permits from Clearwater Underground Water Conservation District (District), State Number 58-04-512 (CUWCD #N2-02-010G) and 58-04-513 (CUWCD #N2-20-011G), and wholesales water from those wells to Salado Water Supply Corporation (Salado WSC) for retail domestic use.

CUWCD identifies the two (2) existing groundwater wells as N-02-010G (7KX #8) and N-02-011G (7KX #9). For our identification purposes, the proposed well is identified as 7KX#10 (N2-19-005P) and is to be completed in the Edwards BFZ aquifer for beneficial use as a public water supply well.

This transmittal letter includes required pertinent information and data, as required by District rules, for application for a drilling permit for a new groundwater well. This formal transmittal letter includes the following information in support of our drilling permit application:

1. Drilling Permit Application fee for the 7KX#10 Well - N2-NON-EXEMPT WELL, CLASSIFICATION 2 @ \$5,000.00.
2. Location map showing location of wells and information required by the District.
3. Drilling permit application for proposed well 7KX#10 known as CUWCD N2-19-005P.
4. Proposed well casing and installation will be based on current hydrogeological understanding of the location described driller notes related to exempt well E02-3442G aforementioned in the application, attached legacy driller's report and this cover letter.

While 7KX Ranches owns its existing wells, Salado WSC operates the 7KX Ranches water wells and purchases wholesale water from 7KX Ranches. Water is supplied from the 7KX Ranches Edwards Aquifer wells to the Salado WSC distribution system via a 12" water line crossing Interstate Highway 35. All water produced by 7KX Ranches is currently used within the Salado WSC Certificate of Convenience and Necessity (CCN) area. Salado WSC CCN service area is wholly within Bell County, Texas and within District boundaries.

In addition to Salado WSC, 7KX Ranches may provide, at a future date, wholesale water to a planned 800-acre development west of 7KX Ranches. At the present time, this planned development is within the CCN service area of the City of Georgetown. That area was recently acquired by the City of Georgetown from Chisholm Trail SUD. For service to occur at that site, the CCN area would have to be released by the City of Georgetown to the developer for a formation of a Municipal Utility District (MUD).

The proposed well will be drilled and completed into the Edwards BFZ aquifer, per the attached application, to ultimately pursue an operating permit of 500 ac-ft/year (or 162,925,500 gallons per year). Location of the proposed well is shown on the attached location map (Lat 30.912222°/Long - 97.556944°) along with required setbacks from adjacent property's. The well will be constructed to requirements of Chapter 290 of the Texas Commission on Environmental Quality (TCEQ) rules, Texas Department of Licensing and Regulation (TDLR) regulations, and all applicable District Rules. A typical conceptual design for the proposed well will be provided as needed with this application.

The proposed location of the well is Latitude 30.912222°/Longitude -97.556944°. The groundwater well will be completed and equipped to produce up to 1,000 gallons per minute, depending on aquifer conditions. The pump will be a submersible turbine type equipped with a 100-horsepower motor. The proposed well casing will be Schedule 40 steel, 14" in diameter. Bore hole for the surface casing will be a minimum of 18" in diameter to allow for at least 2" of pressure cement around the casing. The 14" diameter casing will extend from the ground surface to the top of the Edwards Aquifer (approximately 123 feet below land surface). A 12" diameter bore hole will be drilled through the Edwards Aquifer formation. Due to the nature of the Edwards formation at this location, it is anticipated that the well will need to be acidized for maximize production.

Since the proposed production well will be operated by Salado WSC for its use, the Water Conservation and Drought Contingency Plan, as adopted by Salado WSC Board of Directors, will govern the use of all groundwater pumped from the well. Salado WSC has borrowed money from the Texas Water Development Board (TWDB) for system improvements. As such the water conservation plan has been approved by TWDB as complying with State law. As part of their water conservation strategy, both 7KX Ranches (applicant) and Salado WSC (operator) will comply with the District's Management Plan that includes a drought contingency plan utilizing short-term proportional curtailments if necessary to protect and maintain spring-flow of the Salado Springs Complex at 1.68 CFS or 100 ac-ft/month.

If the proposed Edwards BFZ well requires abandonment or is closure in the future, 7KX Ranches will hire a licensed well driller to plug such well, at its cost, in accordance with TDLR regulations. District rules, if more stringent than TDLR plugging requirements, will also be followed in the plugging and capping of the wells with appropriate documents filed at with TDLR.

At the current time, 7KX Ranches has no intent to export any of the water produced outside of the District boundaries. All water will be used within the District boundaries. If the need arises, in the future, to transport any groundwater from the District boundaries, appropriate permits provisions necessary for transport will be applied for (per districts rules) prior to any such transportation or use.

The location map, as attached, shows the location of the proposed well on 7KX BellCAD Property ID:109974 tract size of 345.97-acres. It is my understanding that the District will provide 7KX Ranches with the location of any registered wells with the ½ radius of inclusion on this map. I also understand that the District will provide 7KX Ranches the necessary notification language based on current adjacent property owners within ½ mile radius of the proposed well 7KX#10 and the necessary language for the newspaper notification per District Rule 6.9.1 & 6.9.2.

Since the water produced from this well is intended for wholesale public water supply use in a contractual arrangement Salado WSC for its retail use thus no CCN expansion and/or CCN modification is required by the Public Utility Commission (PUC) for construction of this proposed well. The existing Salado CCN is sufficient for retail domestic use of this water in a legally defined beneficial use. No groundwater will be sold to any other public, private and/or investor-owned utility, without first

acquiring an appropriate CCN from the PUC and additional permit privileges, per District rules, by making application to amend any future operating permit.

Groundwater will be used to provide the 2,600 retail connections of Salado WSC with potable water in accordance with TCEQ regulations. TCEQ requires that all retail entities provide a minimum of 0.6 gallons per minute per connection for its retail customers. Therefore, Salado WSC needs a minimum of 1,560 gpm in water supply to meet this requirement. Annually, Salado WSC customers use approximately 1,740 ac-feet of groundwater under existing permits with the District. Salado WSC is adding approximately 100 connections annually to its customer base. Additionally, a large retail and residential development is planned in its CCN directly across Interstate 35 from the proposed wells. Additional water supplies are needed by Salado WSC to meet these growing demands as recognized in the State Water Plan.

A detailed hydrological report will be developed in accordance with the proposed drilling permit provisions, per District rules, requiring the development of a formal hydrogeologic report within a prescribed amount of time necessary for 7KX Ranches to submit "step two" for a final operating permit on the well based on the results of the aquifer conditions described in our hydrogeologic report .

7KX Ranches understands the components of the required hydrogeologic report and as part of that report will adhere to the need for a pumping test as described in the District Hydrogeologic Report Guidelines. Specifically, the development of the well and the subsequent pumping tests of the well, both a steady state minimum 36-hour pump test and a necessary step production test will be performed and reported to the district once the final application for an operating permit has been submitted. Data will also be collected on recovery of the well after the respective pumping periods. In addition, data, in the form of water level measurements, will be collected from near by observation wells, as identified by the District, to fully evaluate the effects on the aquifer during the prescribed pumping tests.

7KX Ranches acknowledges that the elements of the final hydrogeologic report including but not limited to the pumping test and associate detailed hydrological report can be formally deferred, per District Rules under section 6.9.2(g), until after the proposed wells are drilled under this proposed drilling permit thus the appropriate test pumping equipment will be installed to accurately perform the necessary test. 7KX Ranches, concurs that by not requiring the hydrogeologic report during the drilling permit step #1, that 7KX Ranches will be able to provide more accurate and complete data as requested the "Guidelines for Preparation of Hydrogeological Reports for Submission in Support of Applications for Permitted Use of Groundwater", dated March 24, 2009. This will then support a final application for an "operating permit" based on current aquifer conditions thus deliberation by the District.

If you have any questions or need additional information, please feel free to contact me.

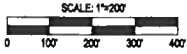
Sincerely,


Glenn Hodge
First Texas Brokerage

Proposed Well Location
Quick Inc. Survey
Propoerty ID: 109974

WELL LOCATION SURVEY

SURVEY SHOWING AN EXISTING WELL LOCATED WITHIN THAT CERTAIN 374.03 ACRE
"FIRST TRACT" CONVEYED TO 7KX INVESTMENTS IN DEED RECORDED IN VOLUME 5162,
PAGE 787, OFFICIAL PUBLIC RECORDS, BELL COUNTY, TEXAS



LEGEND

- 1/2" IRON ROD FOUND
- ⊙ TYPE 2 TYPED MONUMENT FOUND
- ⊘ UTILITY POLE
- ⊘→ UTILITY POLE WITH GUY WIRE
- ⊙ WELL
- X-X- WIRE FENCE
- DEL- DELTA (OVERHEAD)

7KX INVESTMENTS
CALLED 89.955 ACRES
DOC. NO. 201600034406
OFFICIAL PUBLIC RECORDS

7KX INVESTMENTS
THIRD TRACT
CALLED 219.8 ACRES
VOLUME 5162, PAGE 787
OFFICIAL PUBLIC RECORDS

7KX INVESTMENTS
FIRST TRACT
REMAINING PORTION OF A CALLED 374.03 ACRES
VOLUME 5162, PAGE 787
OFFICIAL PUBLIC RECORDS

SPURLOCK, KEVIN R & ROBIN K
CALLED 36.79 ACRES
VOLUME 3848, PAGE 535
OFFICIAL PUBLIC RECORDS

STATE OF TEXAS
PARCEL 10
CALLED 25.445 ACRES
VOLUME 5371, PAGE 519
OFFICIAL PUBLIC RECORDS

ZONE "X"

FEMA FLOOD ZONE "A"
AS SCALED FROM FEMA MAP
480270025E
EFFECTIVE DATE 09/28/2008

WELL HEAD LOCATION INFORMATION
LONG: 87° 32' 24.72" W
LAT: 32° 54' 43.84" N
HORIZONTAL DATUM: TEXAS STATE
PLANE, CENTRAL ZONE, NAD83
N: 1008816.411
E: 3187148.875
VERTICAL DATUM: NAVD83
ELEV: 724.92'

ZONE "X"

ROYCEWALL BRANCH ROAD
(PUBLIC RIGHT-OF-WAY)

URQUIZA, HEMEREGILDO
CALLED 2.00 ACRES
VOLUME 2743, PAGE 510
O.P.R.

URQUIZA, HEMEREGILDO
CALLED 1.979 ACRES
DOC. NO. 2017000055586
O.P.R.

7KX INVESTMENTS
REMAINING PORTION OF A
CALLED 53.388 ACRES
DOC. NO. 201000028729
OFFICIAL PUBLIC RECORDS

NOTES

- 1) FIELD WORK PERFORMED ON: OCTOBER 29 & 30, 2019
- 2) PREPARED FOR: 7KX INVESTMENTS
- 3) ADDRESS: FM 2843
- 4) BASIS OF RESEARCH: TEXAS STATE PLANE, CENTRAL ZONE, NAD83
- 5) TITLE RESEARCH CONTAINING EXISTING EASEMENTS HAS NOT BEEN PROVIDED TO THE SURVEYOR. EASEMENTS AND ENCUMBRANCES MAY EXIST THAT ARE NOT SHOWN ON THIS SURVEY.
- 6) THE IMPROVEMENTS SHOWN HEREON ARE FOR GENERAL LOCATIVE PURPOSES ONLY AND HAVE NOT BEEN DETAILED IN THEIR ENTIRETY.
- 7) THE PURPOSE OF THIS SURVEY IS TO SHOW THE EXISTING WELL LOCATIONS AND THEIR RELATION TO THE PARENT BOUNDARY AND FEMA FLOOD PLAN.

FEMA NOTE:

ACCORDING TO THE NATIONAL FLOOD INSURANCE PROGRAM FLOOD INSURANCE RATE MAP FOR BELL COUNTY, TEXAS, MAP NUMBER 480270025E, EFFECTIVE DATE 09/28/2008, PORTIONS OF THIS PROPERTY LIES IN ZONE A, WHICH IS DEFINED AS AREAS DETERMINED TO BE WITHIN THE 100 YEAR FLOOD PLANE. THE NATIONAL FLOOD INSURANCE PROGRAM FLOOD INSURANCE RATE MAP IS FOR USE IN ADMINISTERING THE NATIONAL FLOOD INSURANCE PROGRAM. IT DOES NOT NECESSARILY IDENTIFY ALL AREAS SUBJECT TO FLOODING, PARTICULARLY FROM LOCAL DRAINAGE SOURCES OF SMALL SIZE OR ALL PLUMMETIC FEATURES OUTSIDE SPECIAL FLOOD HAZARD AREAS. THIS FLOOD STATEMENT DOES NOT IMPLY THAT THE PROPERTY AND/OR STRUCTURES LOCATED THEREON WILL BE FREE FROM FLOODING OR FLOOD DAMAGE. THE FLOOD HAZARD AREA IS SUBJECT TO CHANGE AS DETAILED STUDIES OCCUR AND/OR WATERSHED OR CHANNEL CONDITIONS CHANGE. THIS FLOOD STATEMENT SHALL NOT CREATE LIABILITY ON THE PART OF THE SURVEYOR.

I HEREBY CERTIFY THAT THIS SURVEY WAS MADE ON THE GROUND, AND THAT TO THE BEST OF MY KNOWLEDGE AND BELIEF, THIS PLAT CORRECTLY REPRESENTS THE FACTS FOUND AT THE TIME OF THIS SURVEY.

PRELIMINARY, NOT TO BE RECORDED FOR ANY PURPOSE

TRAVIS L. QUIGGALL DATE: NOVEMBER 1, 2019
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 8842
JOB NO. 19-2279



CUWCD Executive Summary

Staff Report
Application for Drilling Permit
N2-19-005P



Applicant/Owner: 7KX Investments (dba 7KX Ranches) c/o Glenn Hodges P.O. Box 297 Salado TX 76571			
Location of Well: 345.97-acre site Located approximately 3 miles south of the Village of Salado, West Side of IH-35, west of the southbound TXDOT rest area, Latitude 30.912222° Longitude -97.556944°			
Proposed Annual Withdrawal; Rate of Withdrawal: @ 1000 gpm Total: 500 ac-ft/yr or 162,925,500 gallons/year	Aquifer: Edwards BFZ	Proposed Use: Public Water Supply	Nearest Existing Well: 6 wells within ¼ mile; 17 wells within ½ mile.

General Information

Glenn Hodge, on-behalf of KX Investments (dba 7KX Ranches), has made application to the Clearwater Underground Water Conservation District (CUWCD) on January 11, 2021, for a drilling permit to authorize drilling of a new well in the Edwards BFZ aquifer to produce groundwater for public water supply.

7KX Well #10 (N2-19-005P) is the proposed new well with a 6-inch column pipe and rated at 1000-gpm on a 345.97-acre site located approximately 3 miles south of the Village of Salado Pump, West Side of IH-35, west of the southbound TXDOT rest area, Latitude 30.9122220 / Longitude - 97.5569440 with a proposed annual withdraw of 500 ac-ft/year or 162,925,500 gallons per year.

7KX Investments is proposing only a drilling permit at this time per District Rule 6.9. The application states that the future operating permit [per District Rule 6.9.2(e)1)] will be applied for upon completion of the well and the prescribed Hydrogeologic Report [per District Rule 6.9.2(f)].

CUWCD hydrogeologic report guidelines include an advanced aquifer pumping test of 24 to 72 hours of the new well with enhanced aquifer monitoring to correlate the future production with additional understanding of the aquifer conditions in the Edwards BFZ Aquifer. The test is designed to yield additional data for 7KX Investments and CUWCD for regulatory purposes thus managing to the desired future conditions of the Northern Segment of the Edwards BFZ aquifer. This will assist 7KX

Investments, CUWCD and other well owners with in-depth scientific discernment of the Edwards BFZ aquifer and the well's potential radius of influence on wells within ½ mile of the existing well.

The drilling permit authorization is good until December 31, 2021 and can be renewed annually by CUWCD staff in an administrative manner.

CUWCD consulting hydrogeologist, Mike Keester LRE Water LLC, has reviewed the application, and has conducted the required drawdown analysis per district rules. Keester has described the need of the board to understand that the hydrogeologic report and the scientific results will inform the board and the applicant on the capacity of the aquifer to produce at the prescribe levels requested by the applicant. The well will be constructed in the outcrop of the Edwards BFZ Aquifer. at a maximum rate of 1000 gallons per minute (gpm). The applicants letter describes their understanding of the drilling permit and its

Per Rules 6.9 and 6.10

In deciding whether or not to issue a permit, the Board must consider the following:

- 1) **The application contains all the information requested.**
The application is complete—all requested information has been provided.
- 2) **The proposed use of water is dedicated to a beneficial use.**
The water produced from this well will be used for public water supply needs described by the applicant to supply groundwater to Salado Water Supply Corporation (SWSC) of which is a beneficial use.
- 3) **The applicant agrees to avoid waste and achieve water conservation.**
The applicant has agreed to avoid waste and achieve water conservation by signing the application form stating compliance with the District's Management Plan. Applicant understands the importance of water conservation measures in the business thus options for outside water conservation are vital to the sustainability of the aquifer. The District acknowledges that the applicant has stated they do not intend to utilize the groundwater for landscape purposes.
- 4) **The applicant has agreed that reasonable diligence will be used to protect groundwater quality and that the applicant will follow well plugging guidelines at the time of well closure.**
The applicant has agreed (by signing the application form) should a well deteriorate over time that state law and district rules require such well would be plugged, before a replacement well can be drilled.
- 5) **The proposed water wells comply with spacing and production limitations identified in these rules.**

The proposed well will have a column pipe with an inside diameter of not exceed 6-inch. Based on this column pipe size, a minimum size tract of 10 acres is required, with a 300-foot spacing requirement from other wells, but the 300-foot setback

requirement from adjacent property lines is met from all property lines. District Rule 9.5.2 all property line setbacks would prevail should the applicant need to replace the existing new well.

The District rules do not impose production limitations other than those determined applicable in the review of the future operating permit and/or to prevent unacceptable level of decline in water quality of the aquifer, or as may be necessary to prevent waste and achieve water conservation, minimize as far as practicable the drawdown of the water table or the reduction of artesian pressure, lessen interference between wells, or control and prevent subsidence. These issues are considered in Items 6 & 7 below and with staff recommendations to address potential concerns of adjacent property owners.

6) The proposed use of water does or does not unreasonably affect existing groundwater and surface water resources or existing permit holders.

Based upon available information, there are 1 well within ¼ mile of the well site (owned by the applicant) and reported as inactive and completed in the Edwards BFZ aquifer, and approximately 200 feet from the proposed well. (Well will serve as an observation well during the pumping test). There are 2 additional well within ½ mile, of which both are listed as active exempt well.

Mike Keester, Hydrogeologist, LRE Water, has reviewed this application and has determined the anticipated drawdown and has provided the attached report, with his conclusions and recommendations stating that the proposed well and drilling permit amount of 500 acre-feet/year is reasonable at this time and that the anticipated production of 500 acre-feet/year would likely capture groundwater otherwise discharge from the Salado Springs complex. While the drilling permit application indicates a requested annual volume of 500 acre-feet pr year from the proposed well, the amount considered for and operating permit should be based on the site-specific hydrogeologic conditions and not on the conditions at the nearby well. He will also offer testimony as needed.

7) The proposed use of water is consistent with the District's water management plan.

The District's Management Plan reflects a groundwater availability figure in the Edward B aquifer of **6,469 ac-ft/year Modeled Available Groundwater** (then reserve 825 ac-ft/year for exempt well use) thus **5,644 ac-ft/year is the Managed Available Groundwater for permitting.**

The board, per the district management plan, has evaluated groundwater available for permitting the Edwards BFZ Aquifer and most recently evaluated the available groundwater for permitting (*consistent with the management plan as stated on pages 9-11*).

The requested permit amount relative to the modeled available groundwater MAG determined by the Texas Water Development Board (TWDB) based on the desired future conditions (DFCs) established by the District for the Edwards BFZ Aquifer was set by CUWCD based on spring flow of 200 ac-ft/month in January 2019. To achieve

this DFC, the TWDB used a model that indicated the MAG was equal to 6,469 acre-feet per year from the Edwards BFZ Aquifer.

A summary of 2020 permit production, HEUP & OP Permit Analysis, pending applications and *Exempt Well Reservations are for the Edwards BFZ Aquifer which is provided per District Report (*see attached Edwards BFZ Aquifer Status Report*).

8) The Modeled Available Groundwater calculations determined by the Executive Administrator of the Texas Water Development Board.

Refer to #7 above. The modeled available groundwater will not be exceeded by granting this permit.

(see attached District Edwards BFZ Aquifer Status Report).

9) The Executive Administrator of the Texas Water Development Board's estimate of the current and projected amount of groundwater produced under the exemptions in District Rule 8.3.

Refer to #7 above. Reservation of Modeled available groundwater for exempt well use will not be exceeded by granting this permit. 825 ac-ft is reserved vs 349 ac-ft estimated being used. (*see district annual exempt use report for 2020*)

10) The amount of groundwater authorized under permits previously issued by the District.

Refer to #7 above. Existing permits do not exceed the managed available groundwater (*modeled available groundwater – exempt well use = Managed available groundwater*) for the Edwards BFZ aquifer **5,644 ac-ft per year**.

11) A reasonable estimate of the amount of groundwater that is actually produced under permits issued by the District.

The actual production from all permitted wells in in the Edwards BFZ Aquifer in 2020 was **2,189.47 acre-feet (87.13%)** (*Figures are based upon monthly production reports submitted to Clearwater by the permit holders in 2019 and 2020*).

12) Yearly precipitation and production patterns.

Clearwater is currently in no drought management stage based on the PDI system (average running total annual rainfall) over the Aquifer in the District, is currently at **29.948** inches rain received in the last 365 days (3/12/20) thus 90.75% of annual expected rainfall of 33 inches. Permit holders did not exceed their total permitted amounts in 2020. The gravity of the drought of 2011-2015, 2018 and again in 2020 necessitated the need for all non-exempt permit applications to be evaluated based on conservative needs and usage that is not contradicted by the current drought contingency plan stage. Successful curtailments under SWSC drought plan as advised by CUWCD occurred in the summer and early fall of 2020. Spring flow stabilized to levels necessary to protect spring flow.

Conclusions:

- MK, LRE Water LLC states “The potential future operating permit of 500 acre-feet per year associated with the proposed well appears reasonable based on the provided information. With the population growth in the area, the amount for public water supply use by the system is reasonable.”
- MK, LRE Water LLC states “The anticipated production of 500 acre-feet per year from the proposed well would likely capture groundwater that would otherwise discharge from the Salado Springs complex.”
- MK, LRE Water LLC, While the drilling permit application indicates a requested annual volume of 500 acre-feet from the proposed well, the amount considered for an operating permit should be based on the site-specific hydrogeologic conditions and not on the conditions at the nearby well, thus deliberation on the future operating permit supported by the required hydrogeologic report will occur.
- As a “N2” permitted well, the applicant is aware they will be required to have a meter on the discharge pipe and a water-level monitoring tube installed in the well.

Recommendations:

- 1) Approve the application for the drilling permit and confirm the following at the public hearing well with the following special permit conditions:
 - a) The applicant must construct the well to the TCEQ public water supply standards and provide evidence of such with the final application for an operating permit supported by the required hydrogeologic report.
 - b) To assess actual changes in water levels due to pumping from the proposed well, the well will need to have a removable plug in the sanitary seal is in place to allow clear access into the well for water level measurement by District personnel.
 - c) In addition, the pump installer should install a measuring tube alongside the column pipe to allow for measurement of the water level using an e-line or other direct measurement method.
 - d) As an N2 non-exempt well, the well owner is required to have a meter installed for monthly reporting of all production.

Edwards (BFZ) Aquifer Status Report – February 2021

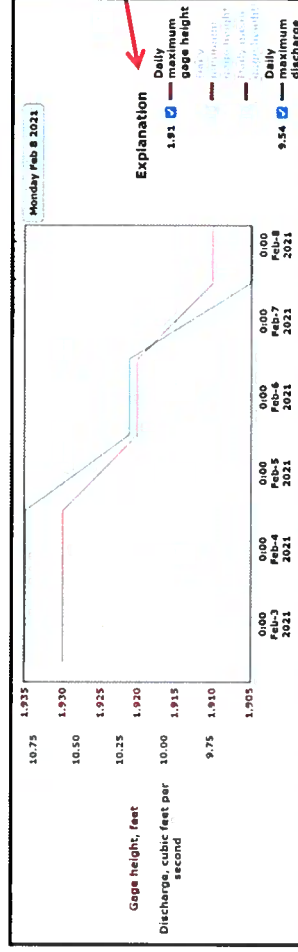
DFC Analysis Over Time (2000–Present) Modeled Available Groundwater		HEUP and OP Permit Analysis Relative to the Modeled Available Groundwater			2021 YTD Prod. Jan 110.09 Ac-ft 4.38%	Pending Applications		Exempt Well Reservations			
DFC Adopted * Minimum Spring Flow	Status of DFC ** Current / Low	MAG *** Ac-ft	HEUP Ac-ft	OP Ac-ft	Total Permitted Ac-ft	2020 Actual Production	Available for Permitting Ac-ft	Pending Applications Ac-ft	Exempt Well Reservation Ac-ft	Exempt Well Use Estimation Ac-ft	Available Exempt Use Ac-ft
Edwards (BFZ) Aquifer	100 Ac-ft per month or 1.68 cfs	598.37 Ac-ft 2/8/2021 vs 220 Ac-ft 08/20/2014	6469	303.09	2512.79	2,189.47 Ac-ft 87.13%	3131.21	500.00	825	349	476

*Desired Future Conditions (DFC) established by Clearwater UWCD and approved by GMA8 and TWDB, is the description of how the aquifer should look in the future (50 years based on maintaining the Salado Spring Complex discharge during a repeat of drought conditions similar to the drought of record in the 1950's, under drought of record, a five-day average of discharge amounting to 200 ac-ft/month is preferred and 100 ac-ft/month is the minimum acceptable spring flow. Spring flow is measured and estimated by the USGS Gage in Salado Creek located below the Salado Creek Spring Complex.

**Status of the DFC is the estimated spring flow over a five-day average from the springs releasing artesian pressure from the Edwards BFZ Aquifer expressed as acre feet per month of spring flow into Salado Creek.

***The Modeled Available Groundwater (MAG) is the estimated amount of water available for permitting assigned to Clearwater UWCD by the Executive Administrator of TWDB, based on the desired future conditions.

ZKK Investments N2-19-005P (500 ac-ft/vr)



CFS is measured continuously at the downstream gage with USGS developing the rating curve according to industry standards and maintaining the information for public access on the USGS website.

5 - day average for February 3rd – February 7th was 10.056 CFS = 598.37 ac-ft/month

5 - day average for December 28th – January 1st was 38.72 CFS = 2304.00 ac-ft/month

LRE Water Analysis



Technical Memorandum

To: Dirk Aaron, General Manager – Clearwater Underground Water Conservation District
From: Michael R. Keester, PG
Date: February 9, 2021
Subject: Review of the 7KX Ranches Drilling Permit Application

This technical memorandum provides information related to our review of the drilling permit application with the following parameters:

- **Proposed Well ID:** *N2-19-005P*
- **Well Name:** *7KX #10*
- **Tract Size:** *374.03 acres*
- **Column Pipe Size:** *To be determined*
- **Aquifer:** *Edwards (BFZ)*
- **Proposed Annual Production:** *500 Acre-Feet per Year*
- **Proposed Instantaneous Pumping Rate:** *1,000 Gallons per Minute*

The potential effects of the proposed production on local water levels in the aquifer are calculated using the Theis equation¹ which relates water level decline (that is, drawdown) to the pumping rate of a well and properties of the aquifer. While the equation does not account for aquifer conditions which may affect the calculation of long-term water level declines (for example: aquifer recharge, faulting, or changes in aquifer structure), it does provide a very good, reliable, and straightforward method for estimating relatively short-term drawdown in and near a well due to pumping. As the duration of pumping and distance from the well increase, the uncertainty in the calculated drawdown also increases. Typically, to assess the potential effects from the proposed production, we use values from the groundwater availability model (GAM) datasets.² However, the GAM dataset at the well location has an aquifer transmissivity value that is unrealistically low.

A transmissivity value is essentially a measure of how easily water can move through an aquifer. In the Theis equation, with all other factors being equal, a higher

¹ Theis, C.V., 1935, The Relation Between the Lowering of the Piezometric Surface and the Rate and Duration of Discharge of a Well Using Ground-Water Storage: American Geophysical Union Transactions, v. 16, p. 519-524.

² Groundwater availability model (GAM) datasets for the Edwards (BFZ) Northern Segment.

transmissivity value results in less predicted drawdown. The GAM dataset indicates the transmissivity of the Edwards (BFZ) Aquifer at the applicant's well location is about 2,000 gallons per day per foot (gpd/ft). However, in 1999 well E-02-3442G was drilled less than 200 feet west of the proposed well site. Pumping test data for E-02-3442G indicates that the well was pumped at 604 gallons per minute with a constant drawdown of 18 feet over a 24-hour period. The specific capacity of this well is the pumping rate divided by the drawdown or 33.6 gallons per minute per foot (gpm/ft) of drawdown. Using an empirical relationship correlating specific capacity to transmissivity³ we can estimate the local aquifer transmissivity is about 60,000 gpd/ft which suggests aquifer transmissivity values in the GAM are too low. Therefore, we used the estimated transmissivity from the pumping test data for calculating the potential drawdown at other nearby wells completed in the Edwards (BFZ) Aquifer.

Table 1 presents the calculated drawdown at the proposed well and at other nearby wells completed in the same aquifer using the transmissivity value of 60,000 gpd/ft. For *1-Day Drawdown*, we applied the proposed instantaneous pumping rate for a period of 24 hours. For *30-Day Drawdown*, we assumed peak pumping during the summer of about 15 percent more than the average monthly amount (that is, the proposed annual production rate divided by 12 then multiplied by 1.15). For *1-Year Drawdown*, we used the proposed annual production amount.

Table 1. Predicted drawdown at existing wells completed in the Edwards (BFZ) Aquifer located within one mile of the proposed well (CUWCD ID: N2-19-005P). Only wells with non-negligible drawdown values shown.

Well Name	Distance from Proposed Well (feet)	1-Day Drawdown (feet)	30-Day Drawdown (feet)	1-Year Drawdown (feet)
N2-19-005P	0	14.5	7.5	8.0
E-02-3442G	177	2.4	3.0	4.1
E-04-035P	857	Negligible	Negligible	2.3
M-08-001G	1,066	Negligible	Negligible	2.0
E-02-3445G	1,123	Negligible	Negligible	2.0
E-02-3441G	1,289	Negligible	Negligible	1.8
E-02-3443G	1,302	Negligible	Negligible	1.8
N2-05-005G	1,316	Negligible	Negligible	1.8
E-04-034P	1,699	Negligible	Negligible	1.5
E-02-728G	1,967	Negligible	Negligible	1.3
E-02-3439G	2,538	Negligible	Negligible	1.0

³ Transmissivity (gpd/ft) ≈ Specific Capacity (gpm/ft) × 1,800



The predicted drawdown presented in Table 1 is based on our current understanding of the aquifer hydraulic properties for the Edwards (BFZ) Aquifer and the estimated production from the proposed well. The predicted drawdown values presented do not include the effects from other wells pumping near the proposed well. Predicted drawdown of less than one foot is considered negligible for analysis purposes due to inherent uncertainty in the aquifer hydraulic characteristics. While there are 35 wells located within one mile of the proposed well, non-negligible drawdown was only predicted at 10 of the wells. Figure 1 is a radius map illustrating known wells completed in the Edwards (BFZ) Aquifer that are located within one mile of the applicant's well.

The Edwards (BFZ) Aquifer is a karst aquifer with groundwater flow primarily occurring through fractures and solution cavities in the rock. The Salado Springs complex discharges from the Edwards (BFZ) Aquifer to Salado Creek near where I-35 crosses the creek. Using water-level measurements collected from wells completed in the aquifer, we are able to estimate water levels throughout the aquifer (see Figure 2). Within the aquifer, groundwater generally flows perpendicular to the contour lines of the water-level elevation. As shown on Figure 2, the water-level elevation contours converge around the wells near the proposed well and Salado Springs.

The convergence of the water-level elevation contours suggests that groundwater flow in the Edwards (BFZ) Aquifer is concentrated toward the proposed well. The groundwater flow appears to go toward the existing wells near the proposed well before discharging at the springs. As such, in addition to the predicted drawdown at nearby wells, the proposed production from the well will also impact the springs by capturing groundwater that may otherwise discharge as spring flow. The impact on spring flow from the proposed production would be in addition to impacts from other existing wells capturing groundwater flow. However, we do not expect the impact of the proposed production on the spring flow would be a one-to-one impact; that is, we would not expect each acre-foot of pumping to result in one acre-foot of decreased spring flow.

The permit application indicates 1,666 houses will be served with water from the well. Assuming 140 gallons per person per day and 3 persons per house, the annual demand would be more than 780 acre-feet per year. The proposed future operating permit amount of 500 acre-feet per year appears reasonable based on the provided information.

Based on the drillers report for well E-02-3442G, there is a cavern located from 123 to 127 feet below ground level at that site. While the proposed well is less than 200 feet east of the existing well, there is no guarantee that the cavern is present in the

subsurface at the proposed well location. If a cavern is not present at the proposed well site, the proposed production rates of 1,000 gallons per minute and 500 acre-feet per year may not be attainable. Consideration of a future operating permit will need to be based on the hydrogeological conditions at the well site and not the conditions at well E-02-3442G which were used for this preliminary analysis. The hydrogeological report submitted with operating permit application should address the site specific hydrogeologic conditions and include a discussion of the anticipated impact on Salado Springs due to captured groundwater flow.

Conclusions and Recommendations

The potential future operating permit of 500 acre-feet per year associated with the proposed well appears reasonable based on the provided information. With the population growth in the area, the amount for public water supply use by the system is reasonable.

Based on this preliminary review using the hydrogeologic conditions reported at well E-02-3442G, the predicted drawdown from the proposed well would not inhibit the ability of other existing users to produce groundwater. The anticipated production of 500 acre-feet per year from the proposed well would likely capture groundwater that would otherwise discharge from the Salado Springs complex. While the drilling permit application indicates a requested annual volume of 500 acre-feet from the proposed well, the amount considered for an operating permit should be based on the site-specific hydrogeologic conditions and not on the conditions at the nearby well.

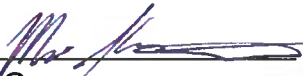
As a “N2” permitted well, we are aware the applicant will be required to have a meter on the discharge pipe and a water-level monitoring tube installed in the well. The following summarizes our additional recommendations associated with approval of the drilling permit:

- A water-level data logger should be installed in the well to allow for continuous water-level monitoring.
- The hydrogeologic report submitted with the future operating permit application should include a discussion of the anticipated impact on Salado Springs due to captured groundwater flow.

If you have any questions regarding our review, please let us know:

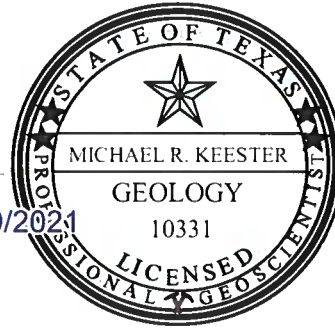
Geoscientist Seal

This report documents the work of the following licensed professional geoscientist with LRE Water, LLC, a licensed professional geoscientist firm in the State of Texas (License No. 50516).



Michael R. Keester, P.G.
Senior Project Manager | Hydrogeologist

02/09/2021



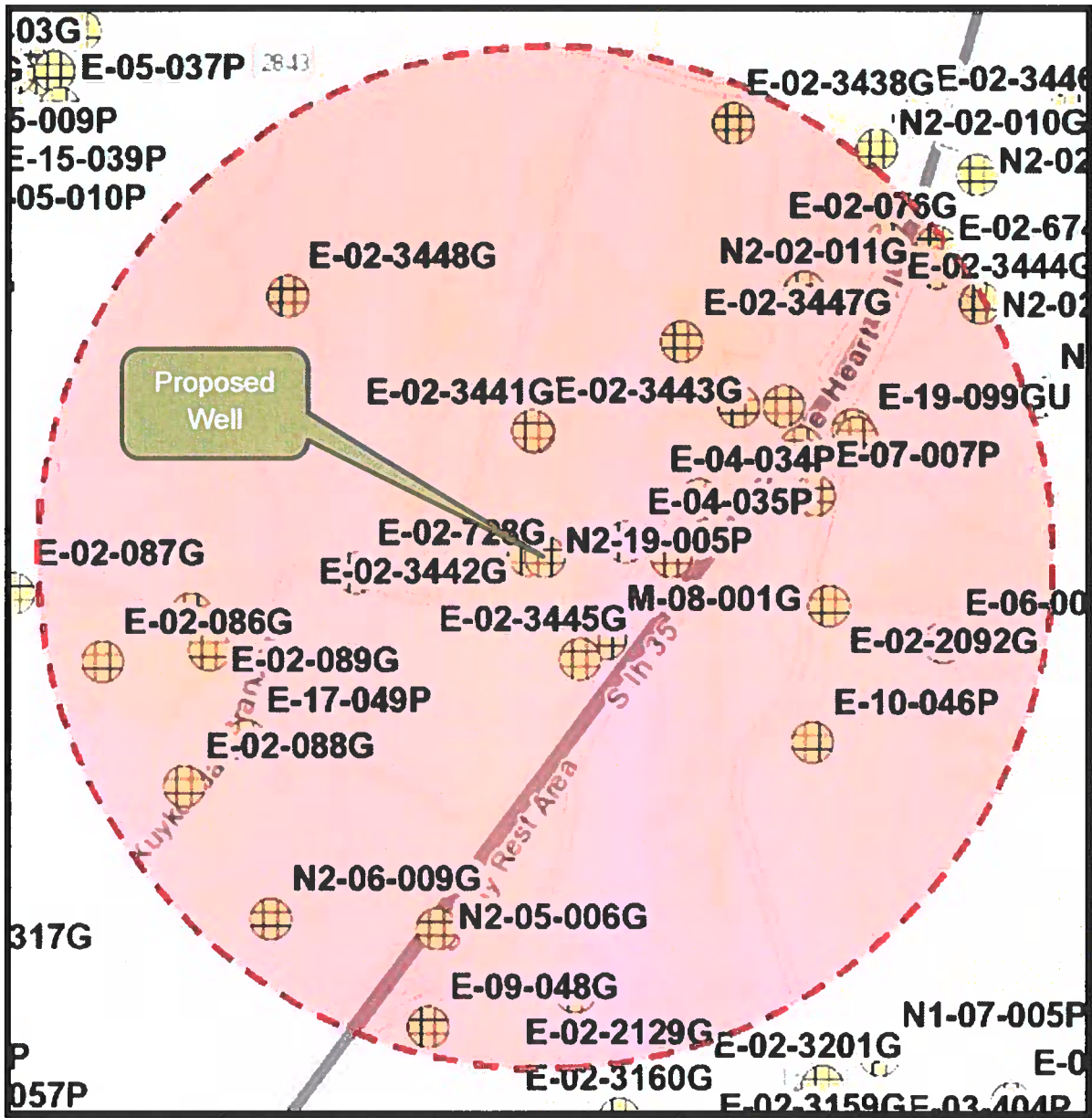


Figure 1. Radius map illustrating all wells completed in the Edwards (BFZ) Aquifer within one mile of the applicant's well (N2-19-005P).

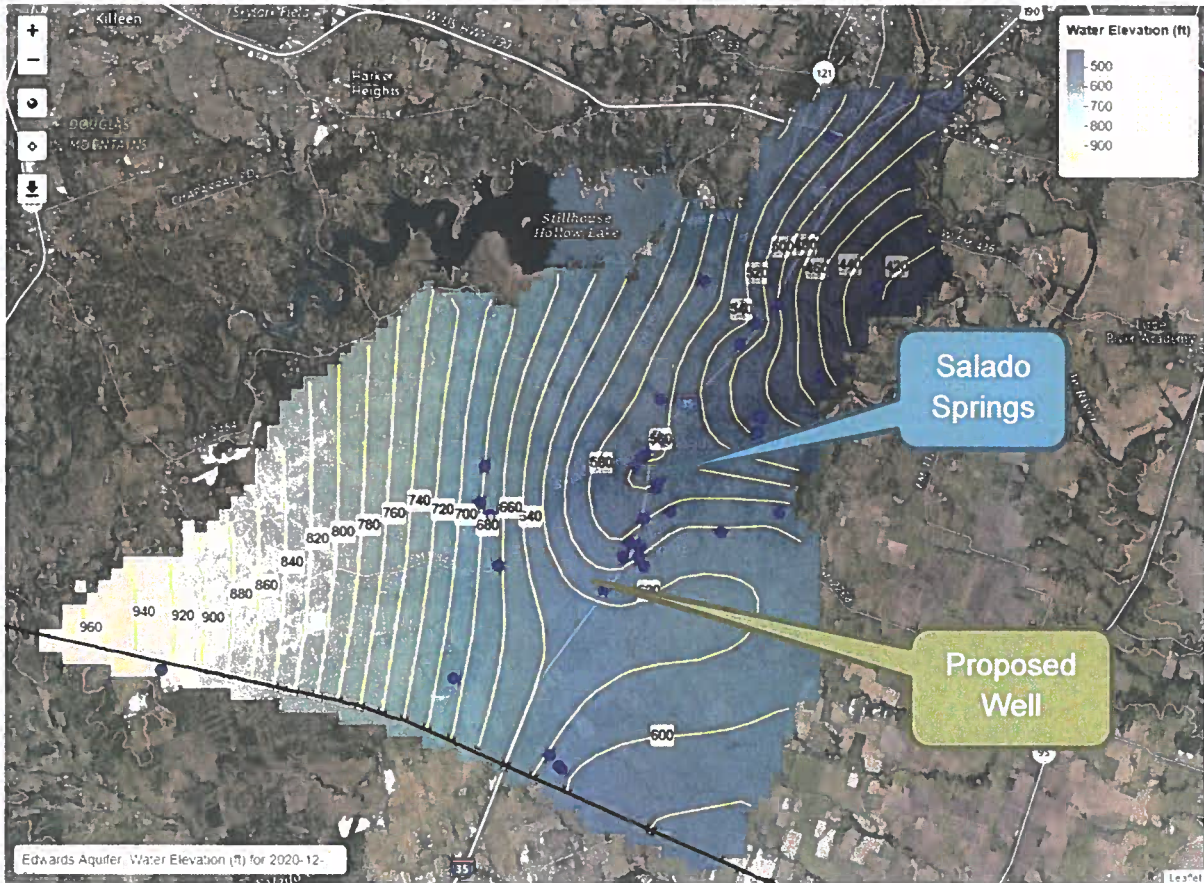


Figure 2. CUWCD Aquifer Status Tool map illustrating the estimated water levels in the Edwards (BFZ) Aquifer on December 31, 2020 based on available water level measurements at wells.

CUWCD Exempt Well Use



CUWCD Exempt Well Use Summary

As of: 2/9/2021

Aquifer	Total Active Registered Exempt Wells ³	Registered Domestic Wells	Estimated Domestic Use Gallons/Day ^{1,2}	Estimated Domestic Use Ac-ft/Year ^{1,2}	Registered Stock Wells	Estimated Stock Use Gallons/Day ⁴	Estimated Stock Use Ac-ft/Year ⁴	Total Estimated Use Gallons/Day ⁷	Total Estimated Exempt Well Use Ac-ft/Year ⁷	MAG Reserved Exempt Well Use
Glen Rose (Upper Trinity)	433	351	102,689	115	82	70,848	79	173,537	194	
Hensell (Middle Trinity)	965	905	415,691	466	60	51,840	58	467,531	524	
Hosston (Lower Trinity)	140	129	37,740	42	11	9,504	11	47,244	53	
Trinity (Total) ⁶	1,538	1,385	556,120	623	153	132,192	148	688,312	771	1,419
Edwards BFZ	810	679	198,648	223	131	113,184	127	311,832	349	825
Edwards Equivalent	490	387	113,221	127	103	88,952	100	202,213	227	
Buda	28	15	4,388	5	13	11,232	13	15,620	17	
Lake Waco	8	3	878	1	5	4,320	5	5,198	6	
Austin Chalk	226	142	41,544	47	84	72,576	81	114,120	128	
Ozan	166	118	34,522	39	48	41,472	46	75,994	85	
Pecan Gap	67	44	12,873	14	23	19,872	22	32,745	37	
Kemp	15	11	3,218	4	4	3,456	4	6,674	7	
Alluvium	570	352	105,907	119	208	179,712	201	285,619	320	
Other ⁵	1,570	1,082	316,550	355	488	421,632	472	738,182	827	
CUWCD Total Active	3,918	3,146	1,071,318	1,200	772	667,008	747	1,738,326	1,947	

1. Domestic use estimate assumes 106 gallons/person per day (USGS estimate of domestic use outside of a municipal water system) and 2.76 persons/household (U.S. Census Bureau, Population Estimates Program (PEP) July 1, 2019)

2. Benjamin G. Wherley, Ph.D. Associate Professor- Turfgrass Science & Ecology Dept. of Soil and Crop Sciences Texas A&M University estimate of 2,000ft² warm season turfgrass requires 38,855gal/yr/lawn or 106gal/day/lawn; "Ranchette" Avg. lawn size is 13,042ft², 6.5X larger; 6.5 X 106gal/day/lawn= 689gal/day/lawn; ~217 "Ranchette" Middle Trinity Wells; 689 X 217=an additional 150,924gal/day/lawn; **490ac-ft/yr or an 89% increase in Middle Trinity exempt well use from the 2018 estimate of 258ac-ft/yr.**

3. Exempt well use estimate factors out all plugged, capped, monitor and inactive wells in the database.

4. Source of stock water estimates is Texas AgriLife Extension @ 18 gallons water per day per cow. Livestock water use estimates are based on the 2017 Census of Agriculture, USDA National Agricultural Statistics Service. 36,868 cows / 771 stock wells= 48 cows/stock well; 48* 18gpd= 846 gal/day/stock well, **747ac-ft/yr or a 34% increase in annual stock use from the 2018 estimate of 556ac-ft/yr.**

5. The "Other" designation is the total of minor aquifer and alluvium source designation of the exempt wells.

6. Trinity Aquifer wells registered with unknown depth are assigned to the Middle Trinity per Board decision.

7. All estimates of groundwater use by exempt well owners is based on assumptions and scientific data, but by no means are they to be interpreted as recommended practices by CUWCD.

Notification

January 18, 2021

NOTICE OF APPLICATION FOR DRILLING PERMIT

Name
Address
City, State Zip

**VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

RE: Application for Drilling Permit

To Whom It May Concern:

I, Glenn Hodge, on-behalf of KX Investments (dba 7KX Ranches), has made application to the Clearwater Underground Water Conservation District (CUWCD) on January 11, 2021, for a drilling permit to authorize drilling of a new well in the Edwards BFZ aquifer to produce groundwater for public water supply.

7KX Well #10 (N2-19-005P) is the proposed new well with a 6-inch column pipe and rated at 1000-gpm on a 345.97-acre site located approximately 3 miles south of the Village of Salado Pump, West Side of IH-35, west of the southbound TXDOT rest area, Latitude 30.912222⁰ / Longitude -97.556944⁰ with a proposed annual withdraw of 500 ac-ft/year or 162,925,500 gallons per year.

KX Investments is proposing only a drilling permit at this time per District Rule 6.9. The application states that the future operating permit [per District Rule 6.9.2(e)1] will be applied for upon completion of the well and the prescribed Hydrogeologic Report [per District Rule 6.9.2(f)]. CUWCD hydrogeologic report guidelines include an advanced aquifer pumping test of 24 to 72 hours of the new well with enhanced aquifer monitoring to correlate the future production with additional understanding of the aquifer conditions in the Edwards BFZ Aquifer. The test is designed to yield additional data for KX Investments and CUWCD for regulatory purposes thus managing to the desired future conditions of the Northern Segment of the Edwards BFZ aquifer. This will assist KX Investments, CUWCD and other well owners with in-depth scientific discernment of the Edwards BFZ aquifer and the well's potential radius of influence on wells within ½ mile of the existing well.

This application will be set for hearing before the CUWCD Board upon notice posted at the Bell County Courthouse Annex and at the CUWCD Office. If you would like to support, protest, or provide comments on this application, you must appear at the hearing and comply with District Rule 6.10. For additional information about this application or the permitting process, please contact the CUWCD at P.O. Box 1989, 700 Kennedy Court, Belton, Texas 76513, 254-933-0120. I may be contacted 254-947-5577; P.O. Box 297 Salado, TX 76571.

Sincerely,

Glenn Hodge
First Texas Brokerage

Mailing List

Kevin & Robin Spurlock	16482 Kuykendall Branch Rd	Salado	TX	76571
7KX Investments	PO Box 297	Salado	TX	76571
Jim Boynton	3565 FM 2843	Salado	TX	76571
Verlon Tweedle, Jr	13602 Cedar Valley Rd	Salado	TX	76571
Benjamin & Heather Blankenship	17164 Kuykendall Branch Rd	Salado	TX	76571
David Stanford	PO Box 1145	Salado	TX	76571
Rita Zbranek	PO Box 242	Salado	TX	76571

N2-19-005P Contact List

Wells/Landfile

<u>Prop ID</u>	<u>Name</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>	<u>Well #</u>	<u>Status</u>	<u>Depth</u>	<u>Aquifer</u>	<u>Use</u>	<u>Distance</u>
147919	TKX Investments	PO Box 297	Salado	TX	76571	E-02-3448G	Active	125	Edwards BFZ	Livestock/Poultry	72 ft

Wells/Landfile

130387	Jim Boynton	3565 FM 2843	Salado	TX	76571	E-20-054GU	Active	152	Edwards BFZ	Domestic	2,307 ft
197909	Kevin & Robin Spurlock	16482 Kuykendall Branch Rd	Salado	TX	76571	E-20-038GU	Active	175	Edwards BFZ	Domestic	2,358 ft

A Properties

197909	Kevin & Robin Spurlock	16482 Kuykendall Branch Rd	Salado	TX	76571						
107758	TKX Investments	PO Box 297	Salado	TX	76571						
167371	TKX Investments	PO Box 297	Salado	TX	76571						
107760	TKX Investments	PO Box 297	Salado	TX	76571						
130387	Jim Boynton	3565 FM 2843	Salado	TX	76571						
118945	Verlon Tweedle, Jr	13602 Cedar Valley Rd	Salado	TX	76571						
40740	TKX Investments	PO Box 297	Salado	TX	76571						
98478	Benjamin & Heather Blankenship	17164 Kuykendall Branch Rd	Salado	TX	76571						
109969	David Stanford	PO Box 1145	Salado	TX	76571						
104471	Rita Zbranek	PO Box 242	Salado	TX	76571						
431195	David Stanford	PO Box 1145	Salado	TX	76571						

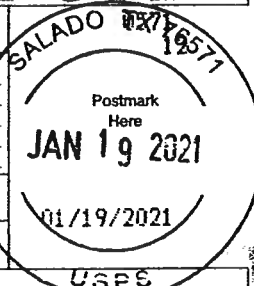
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<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
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Total Postage and Fees	\$6.95



Sent To Benjamin & Heather Blankenship
Street and Apt. No., or PO Box 17164 Kuykendall Branch Rd
City, State, ZIP+4® Salado, TX 76571
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

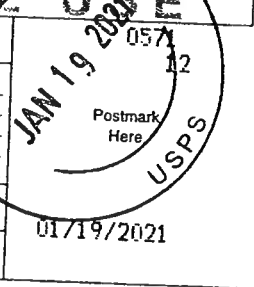
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<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
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Total Postage and Fees	\$6.95



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Street and Apt. No., or PO 16482 Kuykendall Branch Rd
City, State, ZIP+4® Salado, TX 76571
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

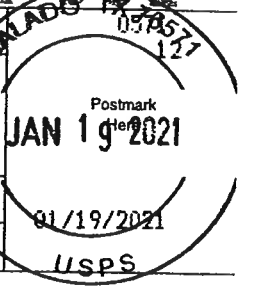
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City, State, ZIP+4® Salado, TX 76571
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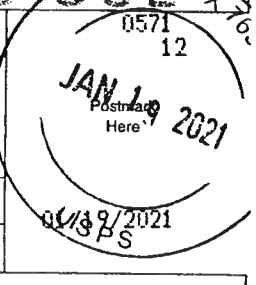
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<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
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Total Postage and Fees	\$6.95



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Street and Apt. No., or PO Box 13602 Cedar Valley Rd
City, State, ZIP+4® Salado, TX 76571
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

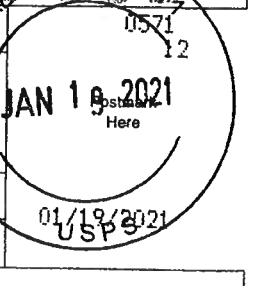
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<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
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Total Postage and Fees	\$6.95



Sent To Rita Zbrank
Street and Apt. No., or PO Box PO Box 242
City, State, ZIP+4® Salado, TX 76571
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

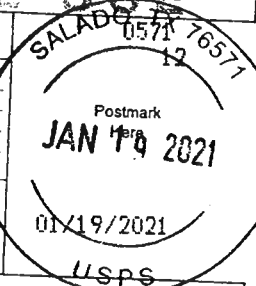
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<input type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$0.55
Total Postage and Fees	\$6.95



Sent To Jim Boynton
Street and Apt. No., or PO Box 3565 FM 2843
City, State, ZIP+4® Salado, TX 76571
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

**NOTICE OF APPLICATION FOR DRILLING PERMIT FROM THE
CLEARWATER UNDERGROUND WATER CONSERVATION DISTRICT**

KX Investments (dba 7KX Ranches), has made application to the Clearwater Underground Water Conservation District (CUWCD) on January 11, 2021, for a drilling permit to authorize drilling of a new well in the Edwards BFZ aquifer to produce groundwater for public water supply.

7KX Well #10 (N2-19-005P) is the proposed new well with a 6-inch column pipe and rated at 1000-gpm on a 345.97-acre site located approximately 3 miles south of the Village of Salado Pump, West Side of IH-35, west of the southbound TXDOT rest area, Latitude 30.9122220 / Longitude-97.5569440 with a proposed annual withdraw of 500 ac-ft/year or 162,925,500 gallons per year.

KX Investments is proposing only a drilling permit at this time per District Rule 6.9. The application states that the future operating permit [per District Rule 6.9.2(e)1)] will be applied for upon completion of the well and the prescribed Hydrogeologic Report [per District Rule 6.9.2(f)]. CUWCD hydrogeologic report guidelines include an advanced aquifer pumping test of 24 to 72 hours of the new well with enhanced aquifer monitoring to correlate the future production with additional understanding of the aquifer conditions in the Edwards BFZ Aquifer. The test is designed to yield additional data for KX Investments and CUWCD for regulatory purposes thus managing to the desired future conditions of the Northern Segment of the Edwards BFZ aquifer. This will assist KX Investments, CUWCD and other well owners with in-depth scientific discernment of the Edwards BFZ aquifer and the well's potential radius of influence on neighboring wells within ½ mile of the proposed well.

This application will be set for hearing before the CUWCD Board upon notice posted at the Bell County Courthouse Annex and at the CUWCD Office. If you would like to support, protest, or provide comments on this application, you must appear at the hearing and comply with District Rule 6.10. For additional information about this application or the permitting process, please contact the CUWCD at P.O. Box 1989, 700 Kennedy Court, Belton, Texas 76513, 254-933-0120. I may be contacted 254-947-5577; P.O. Box 297 Salado, TX 76571.

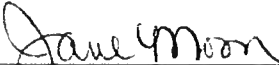
Publisher's Affidavit

State of Texas
County of Bell


Before Me, The Undersigned Authority, this day personally appeared Jane Moon after being by me duly sworn, says that she is the Classified Manager Inside Sales of the Temple Daily Telegram, a newspaper published in Bell County, Texas and that the stated advertisement was published in said newspaper on the following date(s):

January 25, 2021

For: 7KX Investments
Ad #: 16664842
Cost: \$186.35
Times Published: 1


Jane Moon
Classified Manager Inside Sales

Subscribed and sworn to before me,
this day: January 26, 2021


Notary Public in and for
Bell County, Texas

(Seal)



NOTICE OF APPLICATION FOR DRILLING PERMIT FROM THE CLEARWATER UNDERGROUND WATER CONSERVATION DISTRICT

7KX Investments (dba 7KX Ranches), has made application to the Clearwater Underground Water Conservation District (CUWCD) on January 11, 2021, for a drilling permit to authorize drilling of a new well in the Edwards BFZ aquifer to produce groundwater for public water supply.

7KX Well #10 (N2-19-005P) is the proposed new well with a 6-inch column pipe and rated at 1000-gpm on a 345.97-acre site located approximately 3 miles south of the Village of Salado Puma, West Side of IH-35, west of the southbound TXDOT rest area, Latitude 30.9122220 / Longitude -97.5567440 with a proposed annual withdrawal of 500 ac-ft/year or 162,925,500 gallons per year.

7KX Investments is proposing only a drilling permit at this time per District Rule 6.9. The application states that the future operating permit (per District Rule 6.9.2(e)(1)) will be applied for upon completion of the well and the prescribed Hydrogeologic Report (per District Rule 6.9.2(f)). CUWCD hydrogeologic report guidelines include an advanced aquifer pumping test of 24 to 72 hours of the new well with enhanced aquifer monitoring to correlate the future production with additional understanding of the aquifer conditions in the Edwards BFZ Aquifer. The test is designed to yield additional data for 7KX Investments and CUWCD for regulatory purposes thus managing to the desired future conditions of the Northern Segment of the Edwards BFZ aquifer. This will assist 7KX Investments, CUWCD and other well owners with in-depth scientific discernment of the Edwards BFZ aquifer and the well's potential radius of influence on neighboring wells within 1/2 mile of the proposed well.

This application will be set for hearing before the CUWCD Board upon notice posted at the Bell County Courthouse Annex and at the CUWCD Office. If you would like to support, protest, or provide comments on this application, you must appear at the hearing and comply with District Rule 6.10. For additional information about this application or the permitting process, please contact the CUWCD at P.O. Box 1969, 700 Kennedy Court, Belton, Texas 76513, 254-933-0120. I may be contacted 254-947-5577; P.O. Box 297 Salado, TX 76571.

CLASSIFIEDS

CROSSWORD

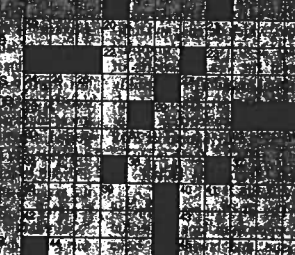
By THOMAS JOSEPH

ACROSS

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- 2 Animal
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CLASSIFIEDS

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1	2	3	4	5	6
6	9		2		5
3	1		2		6
5	7				3
7		5	2		9
	3		6		8
6		7	8		

How to Play:

Using the numbers provided, complete the grid by filling in the empty cells with digits 1 through 9 without repeating a digit in any row or column. Some numbers are pre-filled in the grid. For more tips and a full set of rules, visit www.angels.com.

NYOHG GUILTY

Saturday's Cryptic Quotes: 'SHEEP' DEATH OF INTELLIGENCE CAN BRING VESTED INTEREST WHEN THE NEED FOR DIVISION IS DEEP

— SAUL BELLOW

Profitable Routes Now Available

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Profitable Routes Now Available

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