

Application to Amend Vista Ridge
Drilling and Operating Permit
No. POS-D&O/A&M-001d and
Transport Permit No. POS-T-0001d

October 3, 2019

Paul M. Terrill
TERRILL & WALDROP
810 West 10th Street
Austin, Texas 78707
(512) 474-9100

OUTLINE

- Current Permit Overview
- Requested Permit Amendments
- Notice
- Specifics on Requested Amendments
- Hearing Requests

CURRENT PERMIT OVERVIEW

- 33 Permitted Wells
 - 21 Carrizo Wells
 - 15,000 acre-feet per year
 - 12 Simsboro Wells
 - 35,993 acre-feet per year
- 50,993 acre-feet per year
- For municipal use
- Transport authorized to several counties including Bexar.

PERMIT AMENDMENTS

1. Relocation of the PW-18 Permitted Well Site;
2. Increase in Annual Simsboro Well Field Production by 4,842 acre-feet/year;
3. Reinstatement of 3,000 gpm instantaneous well production rates for Wells PW-12, PW-13, and PW-16; and
4. Adjust transport permit to be consistent with changes in operating permit.

NOTICE

MAILED NOTICE

- Sent to 116 landowners in compliance with District's mailed notice rule (POSGCD Rule 7.5(2)).
- James Bene's affidavit with list of landowners and CCN holder to whom notice was mailed has been provided to the District.

NOTICE

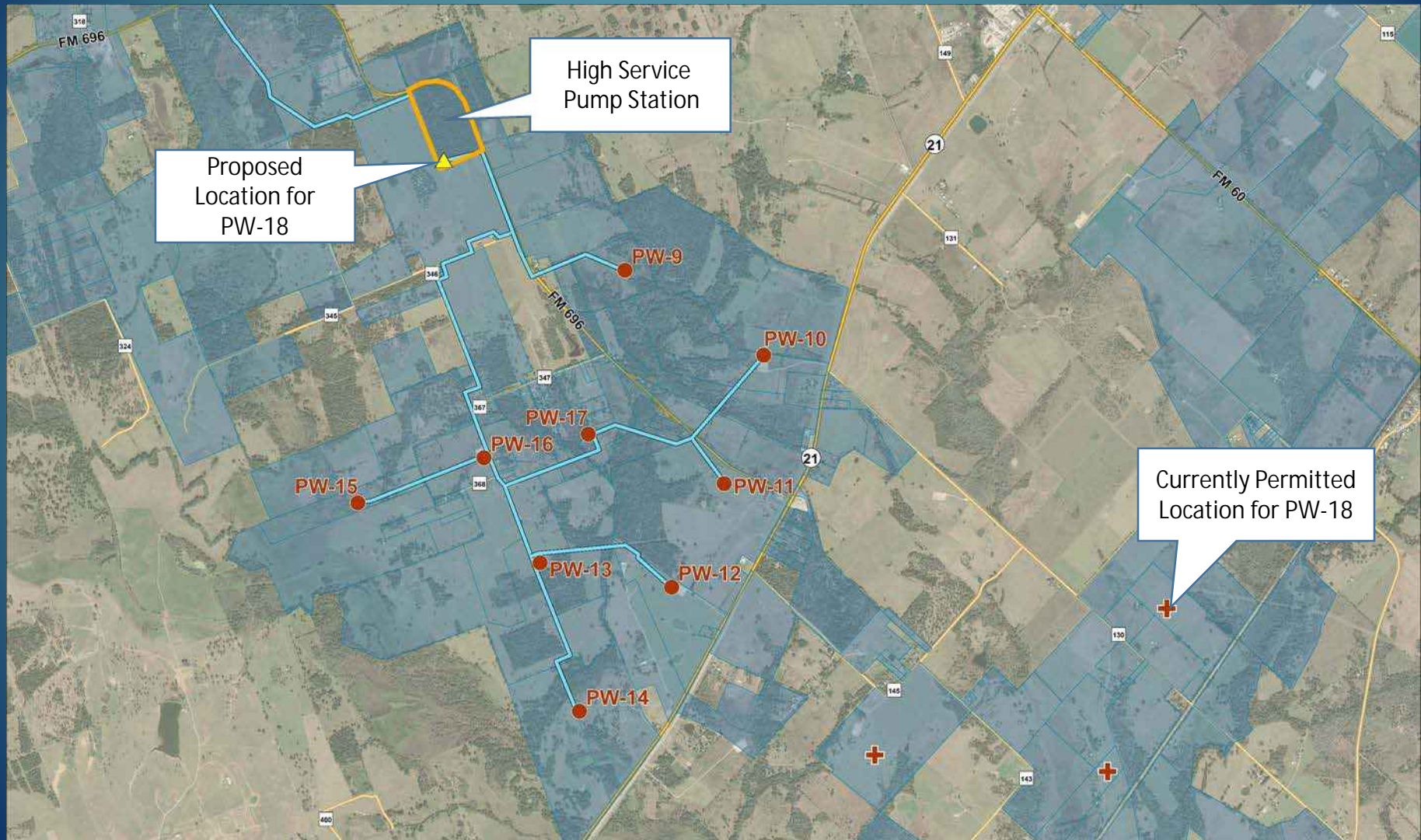
PUBLISHED NOTICE

- Published in Burleson County Tribune on August 22, 2019
- Published in Rockdale Reporter on August 22, 2019
- Publisher's affidavits from the Burleson County Tribune and Rockdale Reporter have been provided to the District

PERMIT AMENDMENT ONE

- Relocation of PW-18 from its current permitted location to property where the Vista Ridge High Service pump station is located
- No change to any permit parameters other than point of withdrawal

WELL FIELD



DISTRICT RULE 4.1.7

7. Upon application, and approval by the District, a well location established by permit may be modified on the request of both the permittee and the surface owner of land within the contiguous area included within the permit, or for the purpose of relocating the well to a site that is more secure from flooding, adverse drainage or any source of potential contamination.
[Amended May 3, 2017]

SIMSBORO WELL SPACING

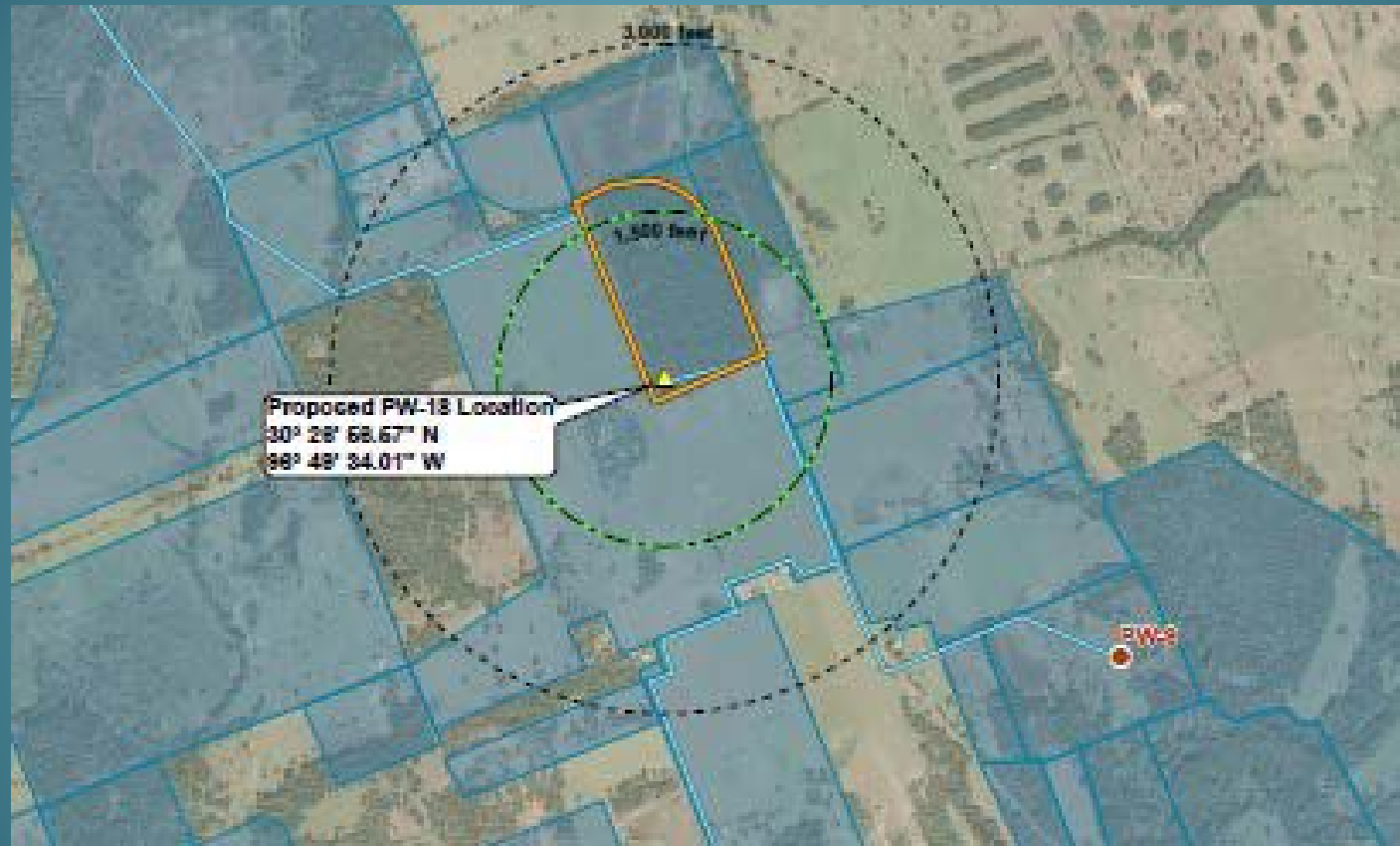
POSGCD Rule 4.1.2.a

a. the spacing of a new well from any well existing in that formation shall be a distance of not less than one foot per one gallon per minute of production capacity and not less than one-half foot per gallon per minute from the property line of each adjoining landowner; or

Property Line	$\frac{1}{2}$ ft. per GPM from property line
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Well Spacing	1 ft. per GPM from existing well in same formation
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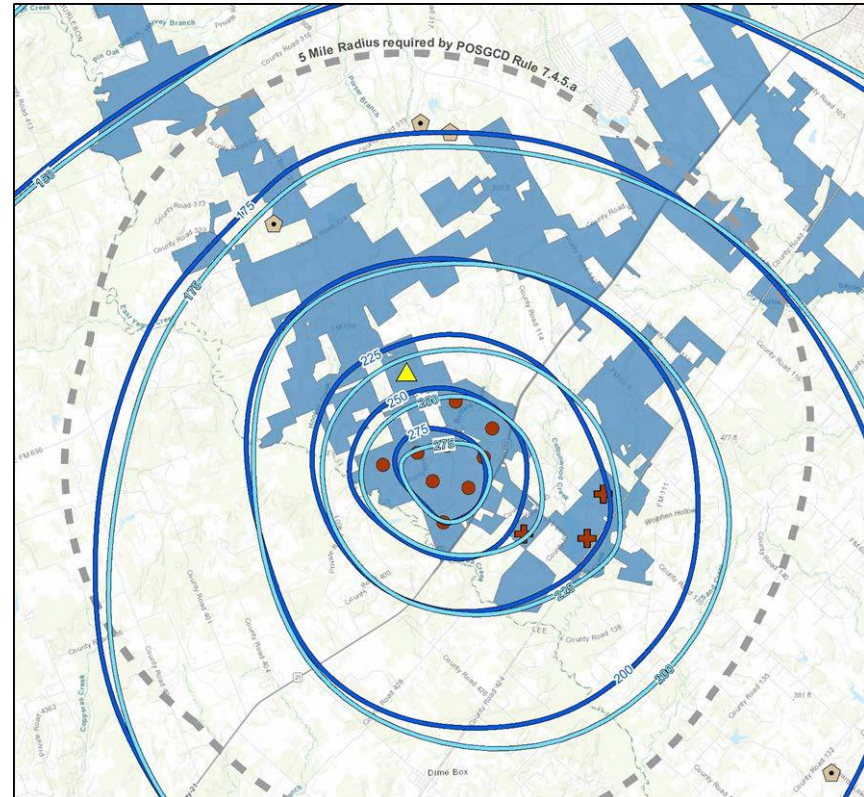
Compliance with Spacing Requirements



Model Results (Amendment 1)

Relocate PW-18

- Contours show 30-Year Simsboro Artesian Pressure Decline
- Light contours show drawdown from permitted PW-18
- Dark contours show drawdown from proposed PW-18 site



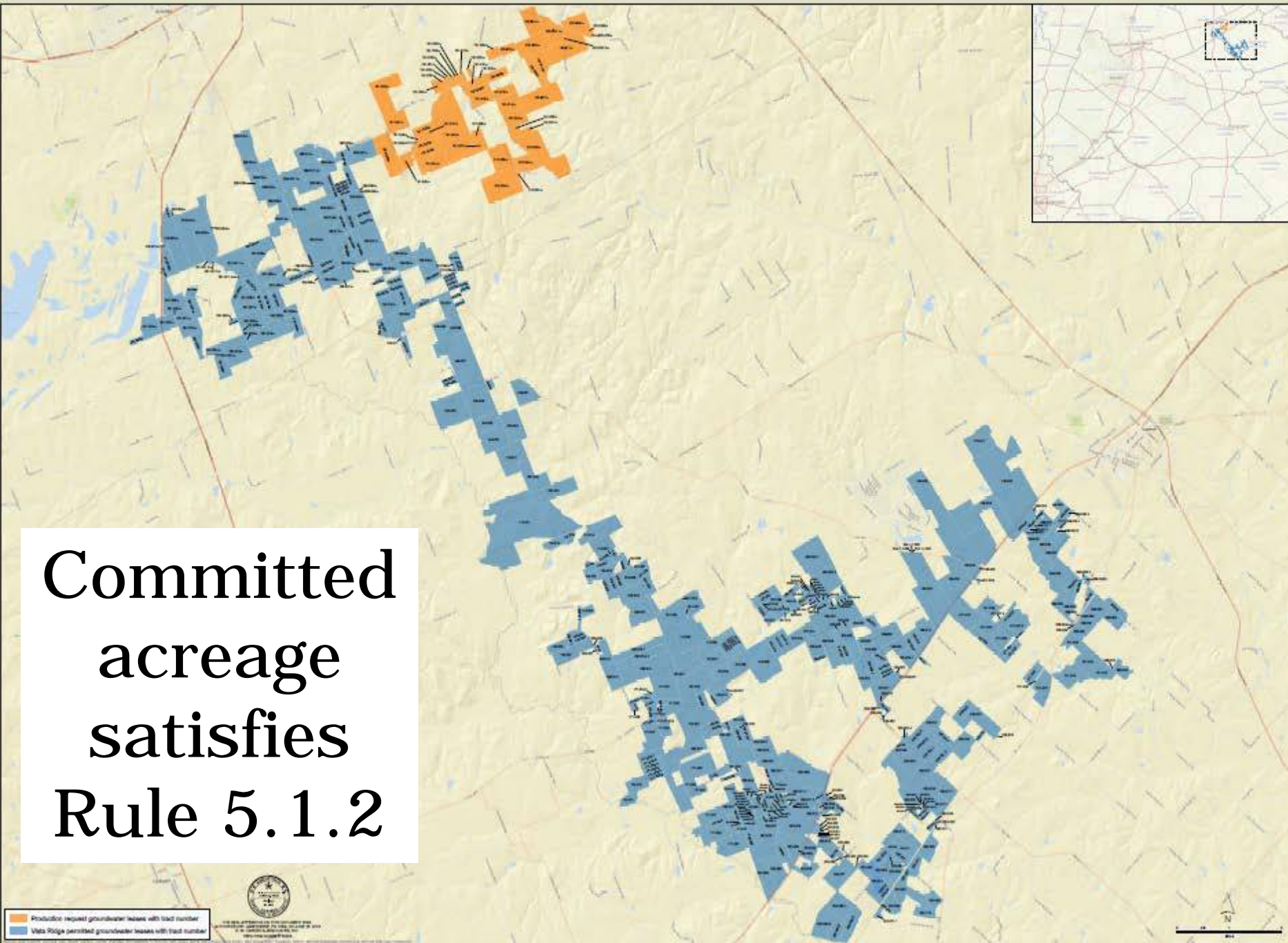
RELOCATION OF PW-18

- Located within contiguous area of groundwater rights included in the Permit on property owned by the Vista Ridge Project (Central Texas Regional WSC)
- Complies with District spacing rule
- Hydrology is unchanged
- No Simsboro wells (other than Vista Ridge's own wells) for miles

PERMIT AMENDMENT TWO

- Increase in annual Simsboro production from 35,993 acre-feet to 40,835 acre-feet

Committed
acreage
satisfies
Rule 5.1.2



Lease Schedule for Blue Water Vista Ridge LLC

Tract	Tract Acres	Net Acres	Lessee	Lease Date	Recording Data
002-018	52.842	52.842	Clint J. Lukse	11/5/2004	644/778 B.C.O.P.R.
002-025	58.8	58.8	Adell Paukert Mikula	10/29/2004	644/216 B.C.O.P.R.
002-027	5	5	Steve Payne and wife, Patricia May Payne	9/6/2004* [71]	640/148 B.C.O.P.R.
002-028.1	2.357	2.357	M. Dwayne Hill	9/6/2004* [71]	640/726 B.C.O.P.R.
002-028.2	3.444	3.444	M. Dwayne Hill	9/7/2004* [71]	640/730 B.C.O.P.R.
002-029	5.76	5.76	Clint J. Lukse	11/7/2004	644/792 B.C.O.P.R.
002-030	5.76	5.76	William V. Roskey and wife, Mary J. Roskey	10/15/2007	736/463 B.C.O.P.R.
002-031	5.76	5.76	William V. Roskey and wife, Mary J. Roskey	12/4/2007	736/455 B.C.O.P.R.
002-033	4.9	4.9	Mildred Horak	10/5/2004	643/829 B.C.O.P.R.
002-034	3	3	Isreal T. Rodriguez and wife, Marie Ruth O. Rodriguez	11/2/2004	644/414 B.C.O.P.R.
002-035	1.7178	1.7178	Jerry Glynn Busby, Sr. and wife, Christine B. Landrum Busby	12/19/2004	650/165 B.C.O.P.R.
002-036	3.736	3.736	Jerry Albert Kacer, Jr.	11/3/2004	645/721 B.C.O.P.R.
002-037	45.6	45.6	L.J. Horak	10/14/2004	644/220 B.C.O.P.R.
			Frank Horak	11/2/2004	644/418 B.C.O.P.R.
			Allen Ray Horak	10/13/2004	643/825 B.C.O.P.R.
			Ells Horak	10/13/2004	643/821 B.C.O.P.R.
002-038	10.766	10.766	Phyllis J. Urban	11/19/2004	646/398 B.C.O.P.R.
002-042	60.89	60.89	Frank Horak	10/11/2004	643/817 B.C.O.P.R.
002-043	24.352	24.352	Clint J. Lukse	11/9/2004	644/783 B.C.O.P.R.
002-050	2	2	Martha Jo Lambrecht	12/15/2004	650/161 B.C.O.P.R.
002-051	5	5	David Dennis	11/26/2004	647/662 B.C.O.P.R.
002-056	4.985	4.985	Wayne A. Moore and wife, Margaret L. Moore	11/16/2004	650/112 B.C.O.P.R.

Lease Schedule for Blue Water Vista Ridge LLC

Tract	Tract Acres	Net Acres	Lessee	Lease Date	Recording Data
291-067m	2	2	Michael Skrhak and wife, Jodi Michelle Young Skrhak	12/20/2005	995/165 M.C.O.R.
291-070m	48	48	Velma Young Trust	8/26/2008	1000/278 M.C.O.R.
291-071m	46.6	46.6	Velma Young Trust	8/26/2008	1000/274 M.C.O.R.
291-072m	69.9	69.9	Velma Young Trust	8/26/2008	1000/270 M.C.O.R.
291-078m	49.71	49.71	Robert Keith Luetge	4/3/2006	1007/193 M.C.O.R.
291-081m	32.568	32.568	Curtis D. Kornegay and wife, Billie Jean Kornegay	6/14/2002* [45]	878/801 M.C.O.R.
303-001m	12.161	12.161	Hondo Land and Cattle Company, Ltd.	9/13/2005	986/109 M.C.O.R.
303-002m	293	293	Hondo Land and Cattle Company, Ltd.	9/13/2005	986/113 M.C.O.R.
303-003m	136	136	Hondo Land and Cattle Company, Ltd.	9/14/2005	986/105 M.C.O.R.
303-064m	14.87	14.87	Harry Vowell and Caleb J. Hildebrand	6/22/2006	1014/278 M.C.O.R.
303-065m	4.089	4.089	Harry Vowell and Caleb J. Hildebrand	6/22/2006	1014/875 M.C.O.R.
331-003m	97.6796	97.6796	Velma Young Trust	8/26/2008	1000/266 M.C.O.R.
331-004m	17.997	17.997	Velma Young Trust	8/26/2008	1000/258 M.C.O.R.

Total Net Acres: 25,531.2425

Total Net Acres:
28,958.4362

LEASE SCHEDULES

Lease Schedule for Blue Water Vista Ridge LLC

Tract	Tract Acres	Net Acres	Lessee	Lease Date	Recording Data
090-015m	6	6	Alden D. Crowe and wife, Paula Crowe	12/22/2000* [26]	837/686 M.C.O.R.
146-007m	165.246	165.246	John Andrew Isaacs and wife, Rita Kay Isaacs	2/14/2005	965/856 M.C.O.R.
146-009m	47.09	47.09	Philip M. Oliver and wife, Anne Marie Oliver	3/12/2005	968/364 M.C.O.R.
146-010m	82.5294	82.5294	Charles Howard Helmer	8/23/2003* [58]	924/843 M.C.O.R.
146-011m	192.825	192.825	S & V Partnership	1/19/2005	963/537 M.C.O.R.
191-001m	27.755	27.755	Richard Lunsford and wife, Shirley Jean Lunsford	2/6/2005	965/888 M.C.O.R.
191-003m	13.878	13.878	Glenn D. Downey and wife, Phyllis R. Downey	2/6/2005	966/257 M.C.O.R.
191-004m	78.09	78.09	Joyce Lange	2/6/2005	965/880 M.C.O.R.
191-007m	29.256	29.256	John T. Voyles and wife, Patricia Voyles	3/11/2006	1003/756 M.C.O.R.
191-008m	28.138	28.138	Jimmy W. Voyles and wife, Judy Voyles	3/20/2006	1006/237 M.C.O.R.
191-014m	95.048	95.048	William A. Caserio and wife, Diane M. Caserio	4/5/2006	1006/273 M.C.O.R.

Lease Schedule for Blue Water Vista Ridge LLC

Tract	Tract Acres	Net Acres	Lessee	Lease Date	Recording Data
191-053m	174.594	109.1212	Carolyn Stark Bradshaw	12/17/2001* [39]	862/130 M.C.O.R.
			Linda Kay Furr	12/16/2001* [39]	862/110 M.C.O.R.
			Patricia Darlene Powell	8/14/2001* [34]	833/252 M.C.O.R.
191-055m	41.98	41.98	Amanda Lee Colbert	6/9/2003* [36]	910/756 M.C.O.R.
			Jack Colbert	6/9/2003* [36]	910/740 M.C.O.R.
210-059m	98.589	61.6181	Brian Keith Stark	12/14/2001* [39]	862/122 M.C.O.R.
			Carolyn Stark Bradshaw	12/17/2001* [39]	862/126 M.C.O.R.
			Linda Kay Furr	12/16/2001* [39]	862/114 M.C.O.R.
			Patricia Darlene Powell	8/22/2001* [34]	833/248 M.C.O.R.
210-060m	200	200	William D. Payne and wife, Christine L. Payne	3/2/2006	1002/810 M.C.O.R.
			William Dwain Payne	3/2/2006	1003/668 M.C.O.R.
210-061m	4.805	4.805	William Dwain Payne	3/2/2006	1003/672 M.C.O.R.
210-063m	263.551	263.551	Vaughn E. Owens "Pud" and wife, Wilma Owens	12/10/2004	960/311 M.C.O.R.
210-064m	87.276	87.276	Michael B. Brooks and wife, Carol A. Brooks	3/5/2005	968/902 M.C.O.R.
288-043m	176.171	176.171	Joseph Sluszer and wife, Judith Sluszer	10/16/2009	1005/082 M.C.O.R.
323-002m	35.5	35.5	Jo Blackwell	4/6/2005	971/725 M.C.O.R.
			Leonard F. Roberts	3/14/2005	968/898 M.C.O.R.
			Maurine Lay	4/6/2005	971/721 M.C.O.R.
323-003m	122.08	122.08	Clarence R. Sims	2/24/2005	966/253 M.C.O.R.
			Ronald A. Wall and wife, Karen D. Wall	2/9/2005	966/261 M.C.O.R.
323-004.1m	96.097	96.097	Paul A. Zabor	2/19/2005	966/635 M.C.O.R.
323-004.2m	6.42	6.42	Paul A. Zabor	4/7/2005	971/143 M.C.O.R.
323-005m	82.85	41.425	R. Stephen Rhodes	6/11/2009	1102/643 M.C.O.R.
323-006m	14.363	14.363	R. Stephen Rhodes	6/11/2009	1102/639 M.C.O.R.
323-024m	103.26	103.26	Clarence Theo Krennek and Lillian M. Krennek, as Trustees of The Clarence Theo Krennek and Lillian M. Krennek Revocable Living Trust	3/10/2005	968/339 M.C.O.R.

Total Net Acres: 3,427.1937

PERMIT AMENDMENT TWO

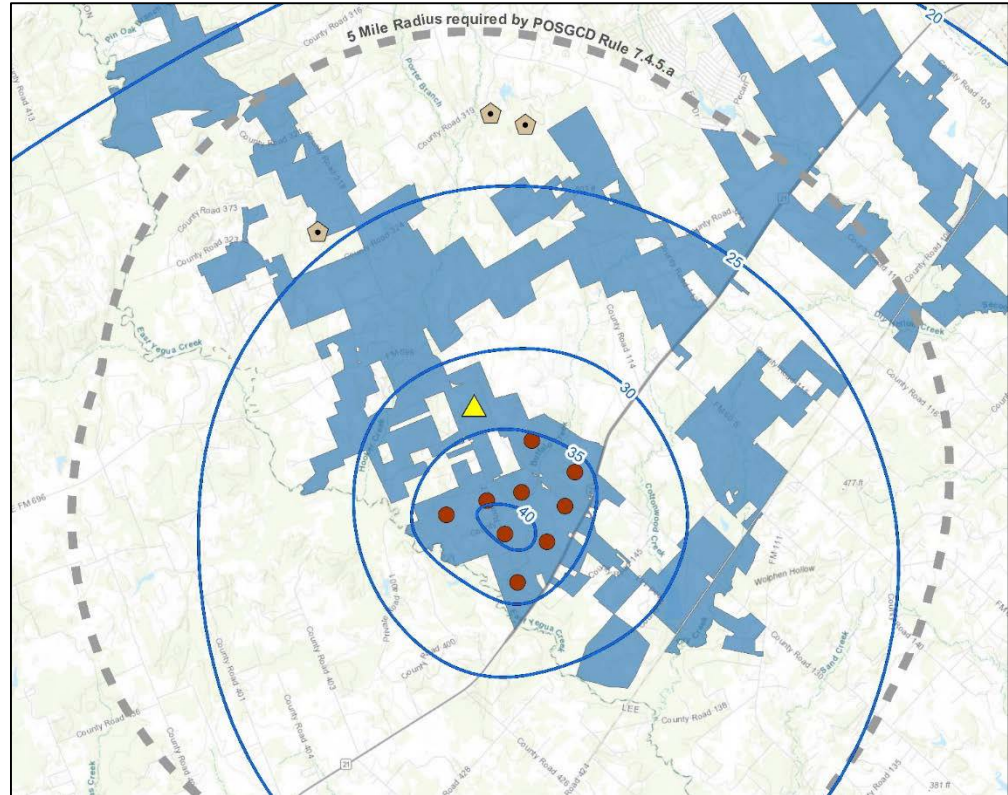
District Rule 7.4.5.(a)

5. Applications for permits for wells that will have a maximum pumping rate that equals or exceeds 500 gpm shall include:
 - a. Predictions of pumping impacts on water levels over the next 30 years within a radial distance of 5 miles of the newly permitted well.

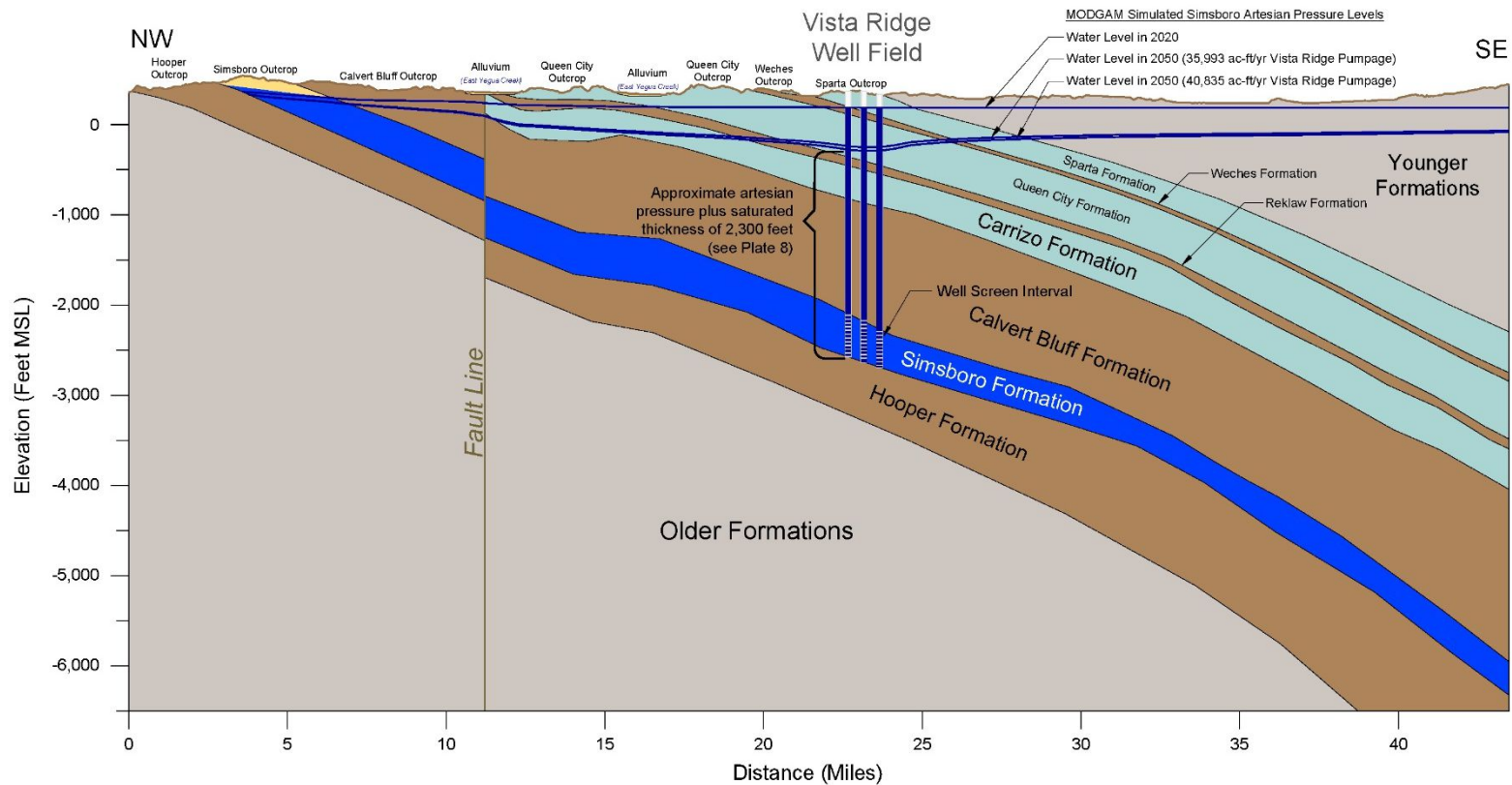
Model Results (Amendment 2)

Increase Annual Simsboro Production

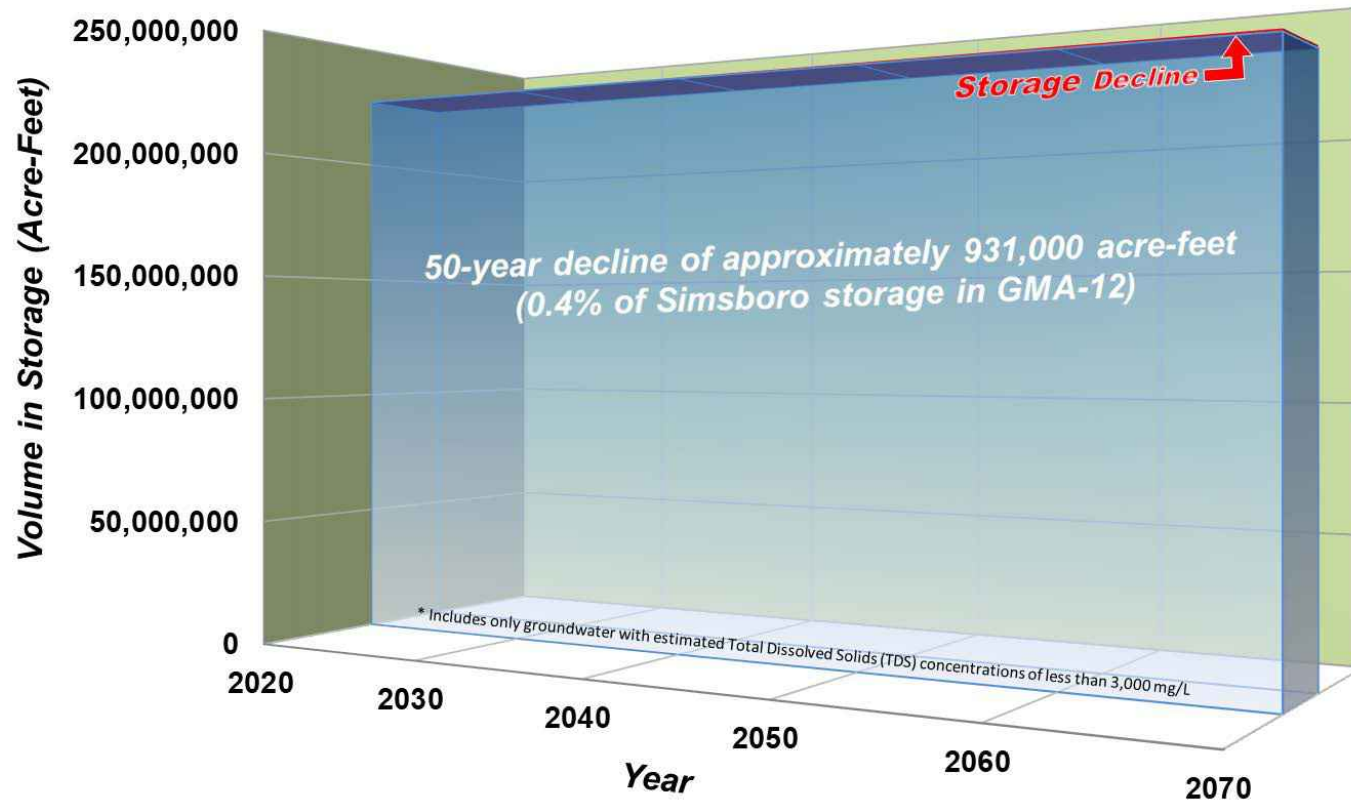
- 4,842 acft/yr Vista Ridge Simsboro Production Only
- Contours show 30-Year Simsboro Artesian Pressure Decline



Model Results (Amendment 2)



Simsboro Storage



PERMIT AMENDMENT THREE

Reinstate 3000 GPM well production rates

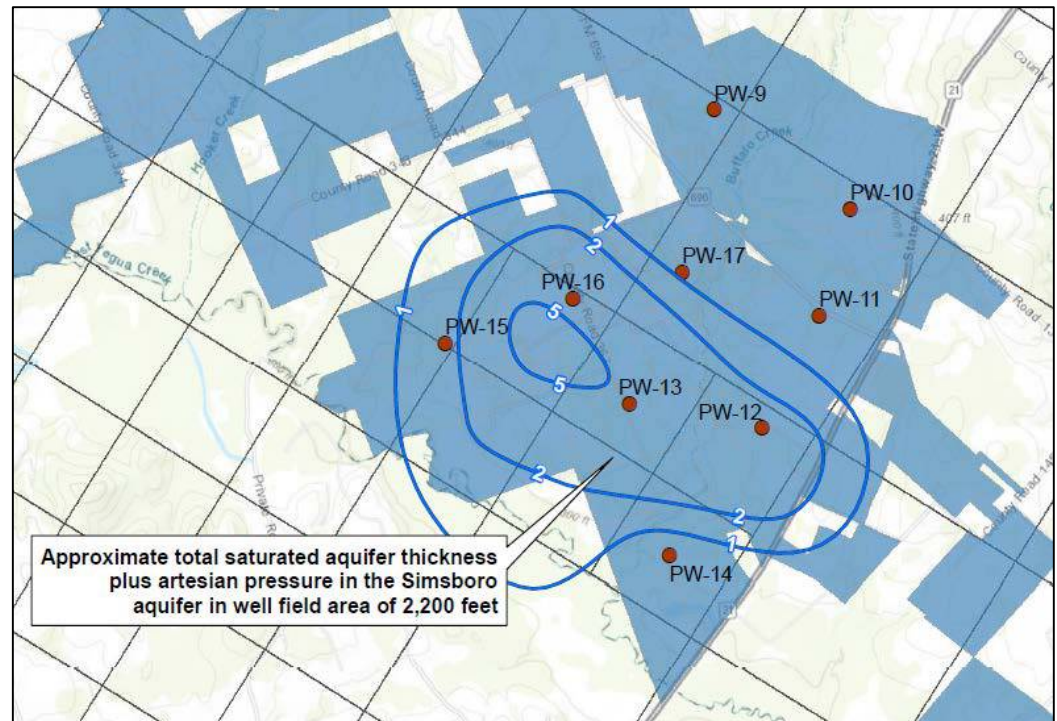
	Previous	Current
PW-12	3,000	2,617
PW-13	3,000	2,685
PW-16	3,000	2,412

- Well relocations were to accommodate landowner requests and because of topography/drainage

Model Results (Amendment 3)

Reinstate 3,000 gpm maximum well production rates

- Contours show additional 30-Year Simsboro Artesian Pressure Decline

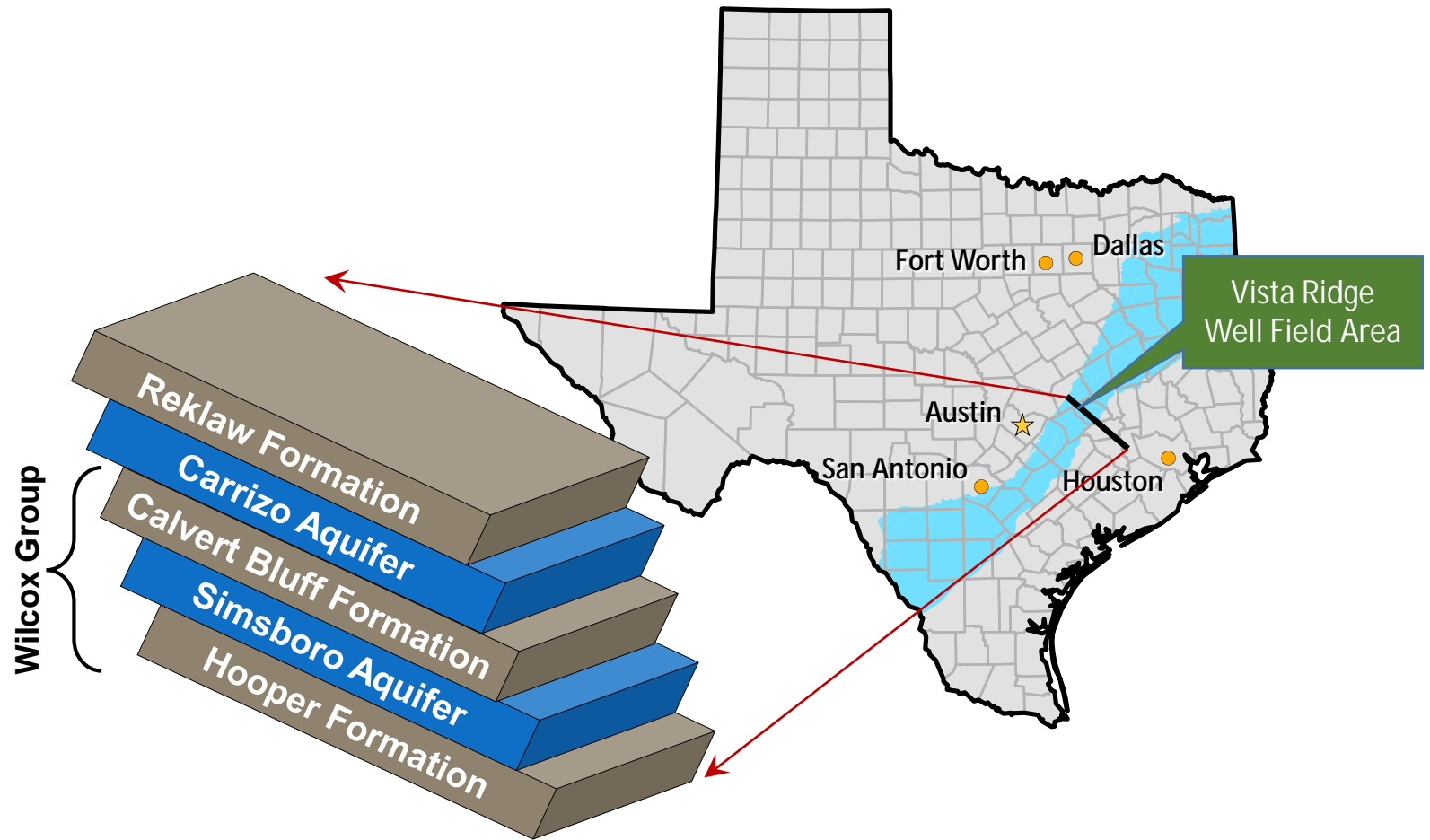


Restoration of 3000 gpm production

- Provides well field production flexibility
- No harm to other Simsboro wells
- Closest Simsboro well is 4 miles away
- No overall change in hydrology impact

HEARING REQUESTS

Carrizo-Wilcox Aquifer



DISTRICT RULES

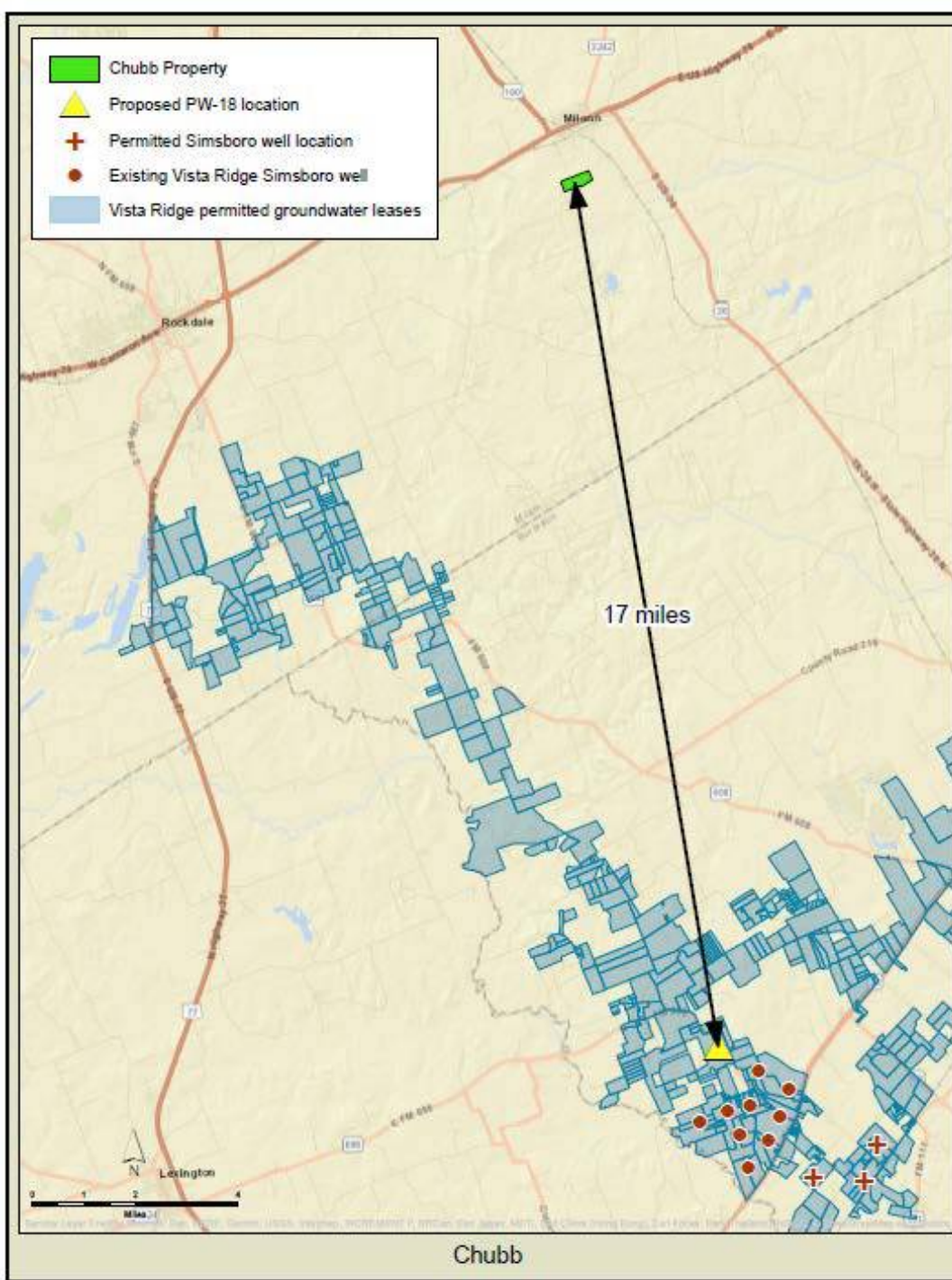
□**Affected person**□ means, for any application, a person who has a personal justiciable interest related to a legal right, duty, privilege, power, or economic interest affected by the application. An interest common to members of the general public does not qualify as a justiciable interest.

DISTRICT RULES

Determination of relevant factors of a personal justiciable interest shall be considered and shall include but not be limited to, the following:

- (1) whether the interest claimed is one protected by the law under which the application will be considered;
- (2) distance restrictions or other limitations imposed by law on the affected interest, including proximity to well locations, facilities, activities or groundwater resources affected by or related to the application;
- (3) whether a reasonable relationship exists between the interest claimed and the activity regulated;
- (4) likely impact of the regulated activity on the health, safety, and use of property of the person;
- (5) likely impact of the regulated activity on use of the impacted natural resource by the person; and
- (6) for governmental entities, their statutory authority over or interest in the issues relevant to the application. [Amended July 2, 2019]

Curtis Chubb



Curtis Chubb Deed

WARRANTY DEED WITH VENDOR'S LIEN

DATE: September 3, 2003

GRANTOR: Larry E. Sanders and Harry D. Vowell, d/b/a S&V, acting by and through Harry D. Vowell, Individually and as Agent and Attorney in Fact for Larry E. Sanders

GRANTOR'S MAILING ADDRESS (including county):

P. O. Box 2505, Longview, Gregg County, Texas, 75606

GRANTEE: Curtis E. Chubb

GRANTEE'S MAILING ADDRESS (including county):

P. O. Box 1360, Blanco, Blanco County, Texas, 78606

CONSIDERATION:

- 1.) Ten Dollars (\$10.00) cash and other good and valuable consideration in hand paid by Grantee herein to Grantor herein, the receipt of which is hereby acknowledged and confessed, and
- 2.) One Hundred Eleven Thousand Seven Hundred Dollars (\$111,700.00) advanced by CAPITAL FARM CREDIT, FLCA, at the special instance and request of the Grantee, the receipt of which is hereby acknowledged and for which the Grantee has executed and delivered to the said CAPITAL FARM CREDIT, FLCA, his one certain promissory note for such amount, bearing interest and being due and payable in accordance with the terms as contained in said note. Said note contains the usual acceleration of maturity, tax, insurance and attorney's fee clauses, and the Vendor's Lien and superior title herein reserved are hereby transferred and conveyed to the said CAPITAL FARM CREDIT, FLCA, to secure the payment of said note. The payment of said note is further secured by a Deed of Trust executed by Grantee herein, Curtis E. Chubb, to Ben R. Novosad, Trustee, for the use and benefit of CAPITAL FARM CREDIT, FLCA, bearing even date herewith.

RESERVATIONS FROM AND EXCEPTIONS TO CONVEYANCE AND WARRANTY:

existing
This property is subject to easements, rights-of-way and prescriptive *rights* ~~rights~~, whether of record or not; all presently recorded restrictions, reservations, covenants, conditions, oil and gas leases, mineral severances and other instruments other than liens and conveyances that affect the property, specifically the following:

A.) Memorandum of Groundwater Lease executed by S&V Partnership to Metropolitan Water Company, L.P., dated the 6th day of March, 2003, of record in Volume 899 page 643, Official Records of Milam County, Texas.

B.) Ratification of Groundwater Lease between S&V Partnership, et al, and Metropolitan Water Company, L.P., dated March 6, 2003, of record in Volume 901 page 761, Official Records of Milam County, Texas.

C.) Amendment and Ratification of Groundwater Lease between S&V Partnership and Metropolitan Water Company, dated June 23, 2003, of record in Volume 912 page 327, Official Records of Milam County, Texas.

D.) Further, Seller hereby reserves (i) all of the groundwater in and under the herein described 83.18 +/- acres of land (the Property) together with the right of reasonable ingress and egress using existing roads for the purpose of developing, producing and marketing same, and (ii) all benefits and rights of the "Lessor" in that certain Groundwater Lease dated March 6, 2003, by and between S&V Partnership, as Lessor, and Metropolitan Water Company, L.P., as Lessee (the "Groundwater Lease"), subject to the Ground-

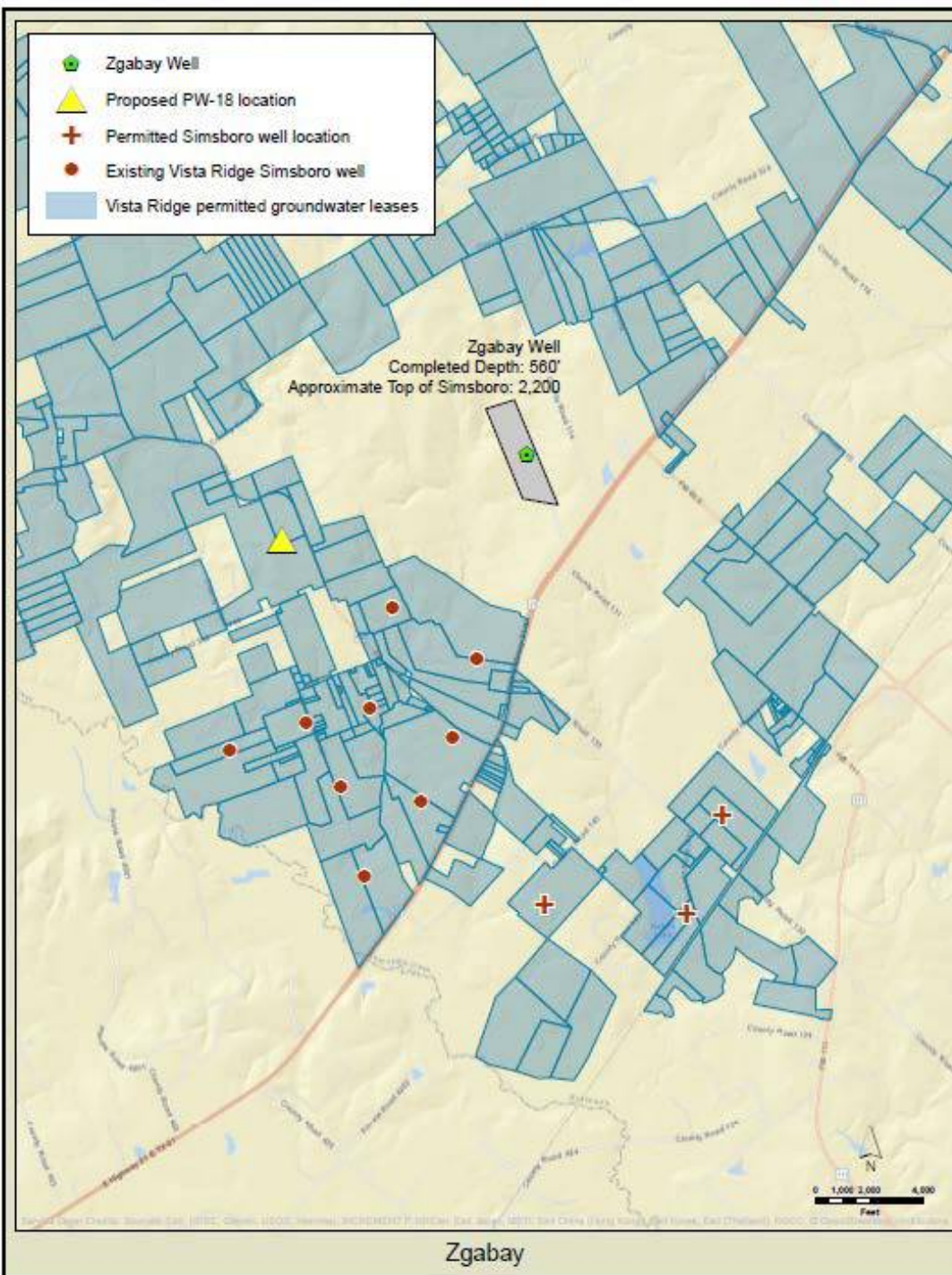
PROPE

D.) Further, Seller hereby reserves (i) all of the groundwater in and under the herein described 83.18 +/- acres of land (the Property) together with the right of reasonable ingress and egress using existing roads for the purpose of developing, producing and marketing same,

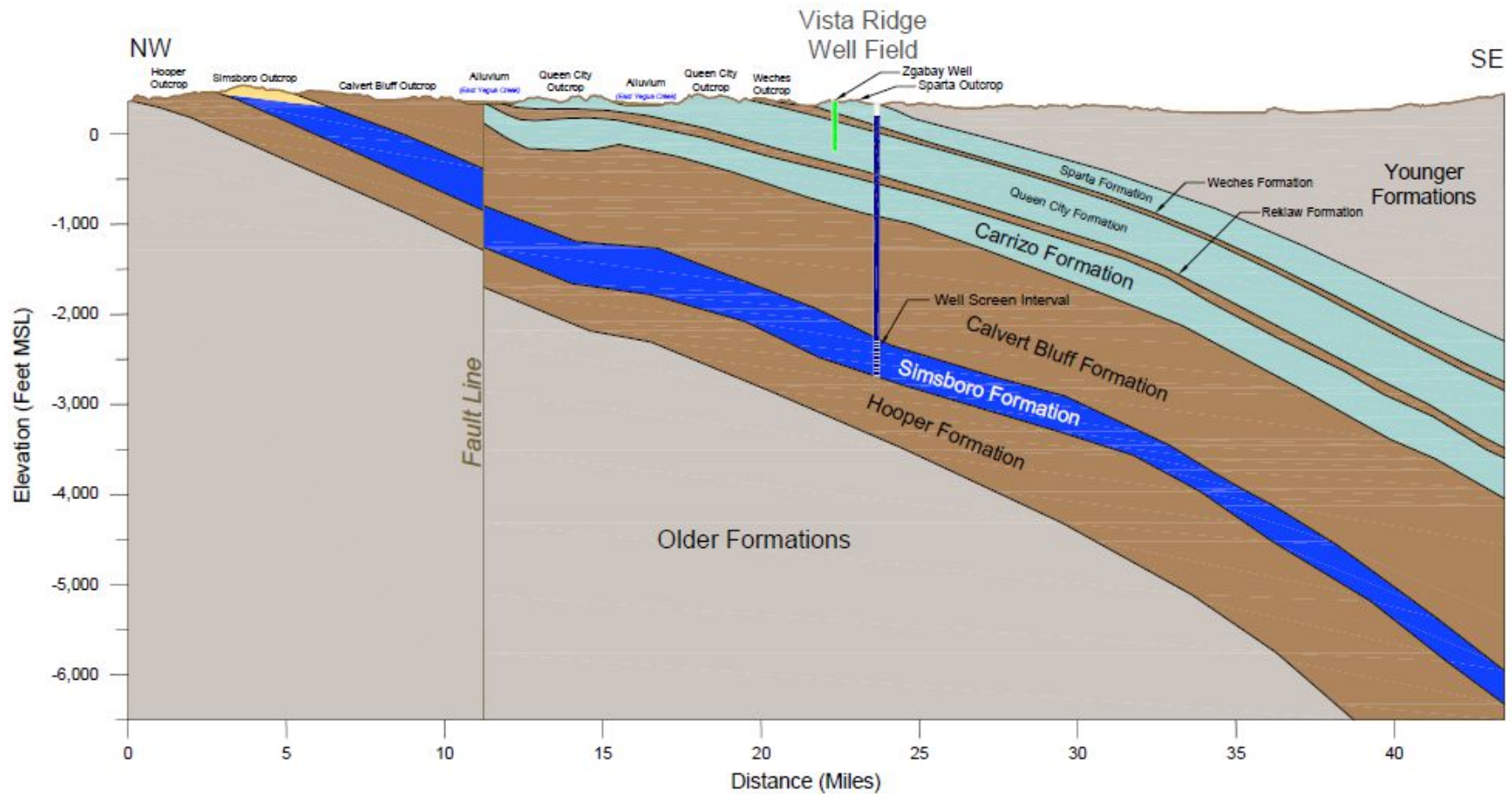
Curtis Chubb

- Mr. Chubb is 17 miles away.
- Mr. Chubb does not own the groundwater rights for his property.
- Mr. Chubb's property is subject to a groundwater lease that has been assigned to Blue Water.
- No standing – not an affected party under POSGCD Rules.

Sidney Zgabay



Sidney Zgabay



Cross Section Diagram

Sidney Zgabay

- Mr. Zgabay does not have a well in the Simsboro Aquifer.
- Mr. Zgabay's well is at least 1500' above the top of the Simsboro Aquifer.
- The Simsboro Aquifer is a confined aquifer which explains why it has over 2000' of artesian pressure.
- No standing – not an affected party under POSGCD Rules.

Conclusion

- POSGCD staff thoroughly reviewed the application and found it administratively and technically complete.
- Moving the point of withdrawal for PW-18 meets District rules and does not change the well field hydrology.
- Blue Water has committed an additional 3,427 acres of water rights in support of this application—1,000 more than required.
- Increase in annual production from the Simsboro by 4,842 acre-feet complies with adopted DFC.
- Restoration of 3,000 gallons per minute well production rates provides operational flexibility and does not impact Simsboro wells outside of the Vista Ridge well field.