GROUNDWATER PRODUCTION PERMIT

THIS CERTIFIES THAT:

Johnny P. Stubbs P.O. Box 1215 Clint, Texas 79836

("Permittee"), has applied for a Groundwater Production Permit to withdraw and place to beneficial use groundwater from within the District, and that the Board of Directors of the Brewster County Groundwater Conservation District ("District"), pursuant to the Rules of the District (adopted January 18, 2018) ("District Rules"), has APPROVED the application and issues the permit as follows:

1 Permit Category

This permit is a Groundwater Production Permit ("GPP").

2 Permit Term

The term of this permit is perpetual from the date of issuance.

3 Groundwater Source

The source of groundwater is the Igneous Aquifer (the "Aquifer").

4 Annual Groundwater Withdrawal Amounts

4.1 Per calendar year, and subject to the proviso, Permittee is authorized to withdraw groundwater from the Aquifer for beneficial, nonwasteful use for industrial or mining purposes based on 8,193.49 acres of qualified land owned by Permittee, as described in Exhibit A, which is attached as part of this permit; provided, however, in no event shall the amount exceed 230 acre-feet per year.

4.2 The amount of groundwater authorized in Section 4.1 is subject to proportional adjustment pursuant to Chapter 5 of the District Rules and to cancellation or reduction pursuant to 5.214 of the District Rules.

5 Purpose of Use

Permittee may use Aquifer groundwater only for industrial or mining purposes.

6 Well Name(s), Location(s), and Maximum Rate of Withdrawal

Groundwater may be withdrawn from the Aquifer only from the well(s) located at each of the locations and with a maximum rate of withdrawal (flow rate), as follows:

Name	Location (latitude/longitude)	Maximum Flow Rate (gpm)
CSA#1	30.46458/-103.60274	71
CSA#2	30.46771/-103.60009	71
CSA#3	30.47001/-103.59728	71

7 Measurement of Amount of Groundwater Withdrawn

Permittee may withdraw groundwater only from a well that has an operating flow meter that meets the requirements of Chapter 8 of the District Rules and is listed in Section 6 of this permit.

8 Location of Delivery and Place of Use

Groundwater authorized for production in Section 4.1 must be produced from wells specified in this permit and must be beneficially used without waste on the property owned by Permittee, as described in Exhibit A, and within the District's boundaries.

9 Well Construction, Operation, Maintenance, Closure

The wells identified in this permit shall be installed, equipped, operated, maintained, plugged, capped, and closed in accordance with the District Rules and all other applicable federal, state, and local laws. A copy of a state plugging report shall be submitted to the District and the Texas Department of Licensing and Regulation within 30 days after capping or plugging any well.

10 Water Conservation

Groundwater produced under this permit must be efficiently withdrawn and used in compliance with the District Rules and the District's management plan, and any water conservation plan submitted by Permittee and approved by the District.

11 Conveyance to Place of Use

Groundwater authorized for production in Section 4.1 must be conveyed to the place of use in a manner that prevents evaporation, channel loss by percolation, and waste.

12 Meters; Alternative Measuring Method

Permittee shall install, operate, and maintain the meter or alternative measuring method on the wells identified in this permit in compliance with the District Rules and the manufacturer's instructions.

13 Reports

Permittee shall timely file all applicable reports with the District on forms prescribed by the District as required by the District Rules, the requirements of this permit, and other applicable law.

14 Fees

Permittee shall timely pay and remain current on the payment of all applicable fees to the District.

15 Interruption, Suspension, or Other Limitations Due to Drought

Permittee shall reduce water supply and consumption during times of drought in accordance with the District Rules and the District's management plan and any drought and water conservation plan submitted by Permittee and approved by the District.

16 Groundwater Management Plan

Permittee shall withdraw and use groundwater only in accordance with the District's approved groundwater management plan.

17 Water Quality

Permittee shall use diligence to protect the quality of groundwater in the District and shall comply with the water quality requirements of the District Rules and take no action that pollutes or contributes to the pollution of groundwater in the District.

18 Transfers and Amendments

Permittee may transfer or amend this permit only in compliance with the District Rules.

19 Permit Review, Renewal or Extension Conditions

Permittee is subject to any review stated in the permit or the District Rules. This permit is subject to cancellation in accordance with § 5.214 of the District Rules.

20 Change of Name, Address, or Telephone Number

Permittee shall provide written notice to the District of any change of ownership, name of Permittee, authorized representative, well operator, mailing address, or telephone number within 30 days of such change.

21 Inspections by District

Any authorized officer, employee, agent, or representative of the District shall have the right at all reasonable times to enter upon lands upon which a well may be located within the boundaries of the District, including the wells identified in Section 6 of this permit, for the purpose of inspecting or testing such wells, meters, pumps, and the power units of a well or wells, collecting water samples, and making any other reasonable and necessary inspections and tests that may be required or necessary for the formulation or the enforcement of the permits, rules, or orders of the District. Permittee has a duty to ensure that the well site is accessible to District representatives for inspection and to cooperate fully in any reasonable inspection of the wells and well sites by District representatives.

22 Additional Conditions

22.1 This permit is issued subject to the on-going limitations, modifications and requirements of: (1) Chapter 8827, Texas Special District Local Laws Code; (2) Chapter 36, Texas Water Code; and (3) the District Rules.

22.2 This permit is subject to the standard permit conditions set forth in § 5.208 of the District Rules.

23 Enforcement

The District retains the right to take any and all enforcement actions within its legal authority to enforce compliance with the terms and conditions of this permit.

24 Continuing Jurisdiction of District

This permit is issued subject to the continuing jurisdiction of and supervision by the District, and may be amended from time to time consistent with applicable law, including if the District learns that any of the information set forth in this permit is incorrect on the date issued.

25 Permit Recordation

Within 30 days of the date of issuance of this permit by the District, the District on behalf of the Permittee, will record this permit with the County Clerk of Brewster County and provide a copy of the recorded permit to the Permittee. The cost of such recording shall be assessed against the Permittee.

26 References to Law

Any reference in this permit to a statute, rule, or other law of any kind that exists on the date of issuance of the permit includes all subsequent amendments and additions thereto.

27 Other Matters Denied

All other matters requested in Permittee's application that are not specifically granted by this permit are denied.

Permit Number: GPP-004

BREWSTER COUNTY GROUNDWATER CONSERVATION DISTRICT COUNTY OF BREWSTER, STATE OF TEXAS

THIS PERMIT IS ISSUED UPON EXECUTION.

EXECUTED THIS ______ by the Board of Directors of the Brewster County Groundwater Conservation District.

Joan Johnson President, Board of Directors

ATTEST:

Homer Mills Secretary, Board of Directors

ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF BREWSTER

ON BEHALF OF THE DISTRICT, THIS PERMIT WAS ACKNOWLEDGED before me on ______, by Joan Johnson, President, Board of Directors, Brewster County Groundwater Conservation District, a groundwater conservation district created pursuant to Article XVI, Section 59, Texas Constitution.

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Notary Public in and for the State of Texas