For District Use Only	
Production Permit Application No.: 11-004	
application Rec'd May 17, 2018	
ee Rec'd 5/17/18 ch # 38839	

### Brewster County Groundwater Conservation District Application for Production Permit

Instructions: This application is to be used to apply for a Production Permit and must be completed, with all required supporting documents, signed, notarized and returned to the District. Please keep a copy of this application for your records. Please print or type legibly. Incomplete applications will be returned.

1.1	<ul><li>✓ Individual</li><li>☐ Governmental Entity</li><li>☐ Order</li><li>☐ Stubbs</li></ul>	☐ Partnership ☐ Estate/Trust/Guardian	□ Corpo	oration
NameJon	IIIy P. Stubbs			
Telephone No.	: Cell ( <u>915</u> ) 525-8210	_Business ()	Fax ()	
Mailing Addre	ess: P.O. Box 1215	Clint, Texas 79836		
	(Street or PO Box)	(City)	(State)	(Zip)
Physical Add	ress:			
	(Street)	(City)	(State)	(Zip)
	s:_jpstubbs8210@gmail ized Representative's Name			
1.2 Author	ized Representative's Name		of CSA Materia	ls
1.2 Author Describe relation	ized Representative's Name	e, if any: Lon Albert		ls
1.2 Author.  Describe relation  Telephone No.	ized Representative's Name onship (agent, officer, attor	e, if any: Lon Albert ney, etc.): Lessee, COO o	Fax ()_	ls
1.2 Author Describe relation Telephone No. Mailing Addre	ized Representative's Name onship (agent, officer, attor : Cell (432) 664-8451	e, if any: Lon Albert ney, etc.): Lessee, COO o Business (325) 655-4511	Fax ()_	ls (Zip)
1.2 Author Describe relation Telephone No. Mailing Addre	onship (agent, officer, attor : Cell (432) 664-8451 ss: P.O. Box 62030 (Street or PO Box)	e, if any: Lon Albert ney, etc.): Lessee, COO o Business (325) 655-4511 San Angelo, Texas 769 (City)	Fax ()_ 906 (State)	
1.2 Author Describe relation Telephone No. Mailing Addre	onship (agent, officer, attor : Cell (432) 664-8451 ss: P.O. Box 62030 (Street or PO Box)	e, if any: Lon Albert ney, etc.): Lessee, COO o Business (325) 655-4511 San Angelo, Texas 769	Fax ()_ 906 (State)	

#### Part 2 - Use and Production Information

- 2.1 The Source of Supply: A Statement Identifying each aquifer that is a source of groundwater from the well. <u>Igneous Aquifer</u> (See attached Exhibit 2.1)
- 2.2 The amount of groundwater that you propose as your Maximum Annual Groundwater Withdrawal Amount: 115 ac/ft/yr (230 ac/ft/yr conditional) (See attached Exhibit 2.2)
- 2.3 Purpose of Use. The purpose(s) for which the groundwater is proposed to be used without waste for a beneficial purpose (example: Irrigation/Municipal/Industrial/Other (if other, describe Specifically): Other: Mining Use (See attached Exhibit 2.3)
- **2.4** For irrigation applications: Provide the crop type and number of acres proposed to be irrigated, and the location of the irrigated fields. N/A
- 2.5 If the property has any non-irrigated acres or structures other than the well, provide a detailed description of these areas:

  N/A
- 2.6 Completely describe the place of use of groundwater withdrawn from the well:

  Aggregate quarry, processing and rail transport facilities (See attached Exhibit 2.6)
- 2.7 Describe the existence of any circumstances or conditions under which the proposed production of groundwater at the Maximum Annual Groundwater Withdrawal Amount requested above will unreasonably affect existing groundwater or surface water resources or existing holders of permits issued by the District: No circumstances known. (See attached Exhibit 2.7a,b,c)
- 2.9 In addition to information submitted in response to Part 3 below, please provide information regarding availability, access to, and cost to obtain water from a source other than the aquifer(s) identified above. Information regarding such other sources shall at a minimum include the availability of, access to, and cost to obtain surface water or reclaimed water (additional responsive information may be attached). No economically viable alternative surface or reclaimed water is available.

#### Part 3 - Reports and Deeds

#### 3.1 For Applicants for Qualified Land

- 3.1.1 All applicants for a production permit based on Qualified Land owned by the applicant shall include documentation identifying the contiguous acres of Qualified Land owned by the applicant for which a permit is sought, along with a recorded deed showing the applicant owns the land and legal description or survey showing the location of such acres. (See attached Exhibit 3.1.1)
- 3.2 For Applicants for Municipal Use, including Public Water Supply, not based on ownership of Qualified Land owned by the applicant:

  N/A

All applicants for municipal use must include with this application an Engineering Report prepared by an engineer licensed in the State of Texas that provides the following information, outlining the details and methods used to determine this information:

- 3.2.1 the monthly and annual water use on a per meter and per capita basis for the previous 10 years; N/A
- 3.2.2 the estimated future water needs of the applicant; N/A
- 3.2.3 the applicant's billing amounts, rate structure, and billing efficiency; N/A
- 3.2.4 the estimate of water lost through leaks, unmetered connections, and any other loss; N/A
- 3.2.5 the water conservation methods implemented during the previous 10 years and those methods planned for implementation in the next 5 years; N/A
- 3.2.6 the economic analysis of using surface water or conservation methods to avoid the need for increased groundwater use; N/A
- 3.2.7 the economic analysis of using groundwater from other aquifers outside the District to avoid the need for increased groundwater use from aquifers located within the District; and N/A
- 3.2.8 a description of whether the operation of the well at the maximum annual groundwater withdrawal amount claimed above will cause unreasonable interference between any wells. N/A
- 3.2.9 Information documenting the place of use of groundwater withdrawn from each well, including, as applicable, a copy of the deed and legal description for the place of use or a copy of the map identifying the boundaries of the applicant's Certificate of Convenience and Necessity issued by TCEQ. N/A

3.3 For Applicants for Industrial Use or another beneficial purpose of use <u>not based on the</u> ownership of Qualified Land owned by the applicant shall also include:

All applicants for industrial use must include with this application an Engineering Report prepared by an engineer licensed in the State of Texas that provides the following information, outlining the details and methods used to determine this information: N/A

- 3.3.1 the applicant's monthly and annual water use for the previous 10 years; N/A
- 3.3.2 the estimated future water needs of the applicant; N/A
- 3.3.3 the amount of water used per unit of production and referenced to the typical amount of water used in the industry per unit of production (gallons per lb, gallons per item, gallons per unit processed, etc.); N/A (however see attached Exhibit 3.3.3)
- 3.3.4 the estimate of water lost through leaks, unmetered uses, and any other loss
- 3.3.5 N/A (however see attached Exhibit 3.3.3) the water conservation methods implemented during the previous 5 years and those methods planned for implementation in the next 5 years; N/A
- 3.3.6 the economic analysis of using groundwater from other aquifers outside the District to avoid the need for increased groundwater use from aquifers located within the District; N/A
- 3.3.7 the economic analysis of using groundwater from other groundwater sources to avoid the need for increased groundwater; and N/A
- 3.3.8 a description of whether the operation of the well at the maximum annual groundwater withdrawal amount claimed above will cause unreasonable interference between any wells.

  N/A (however see attached Exhibit 2.7a,b,c)

#### Part 4 - Well Information

Submit a Part 4 of this form for each individual well CSA #1

4.1	maxin	dentifier or Well Name for well to be used for distribution of this water along with num rate at which water can be withdrawn from well: (If multiple wells, attach a te page) supplemental page for CSA #2
	Well N	Name CSA 1 (State Well Id: 462133) GPM 71 gpm sustained
Production Permit Number No. for which you are seeking additional groundw withdrawal rights in this application, if any:  N/A		
4.3	Source	e of Supply - Which aquifer(s) is/are the source of groundwater from the well:
4.4 that a	Provide re	us Aquifer le the following information for the well from which withdrawals are proposed identified in a Production Permit, or for which any of the information below has N/A
	4.4.1	Well Identifier or Well Name: CSA #1 (State Well Id Tracking # 462133)
	4.4.2	Physical address of the property upon which the well is located:
	J.P. S	Stubbs Ranch, CSA Materials Quarry, 7 miles northeast of Alpine, Texas
	4.4.3	Location of the well by latitude and longitude:
		Latitude: 30° 27' 52.5" N Taken from State Well
		Longitude: 103° 36' 09.85" W Report
	4.4.4 4.4.5	Wellhead is located within the boundaries of the District (circle): Yes No Identify any surface water, including springs within 1,000 feet of the well: None
	4.4.6	Year well drilled or proposed to be drilled: 2017
		Year well completed and operational or proposed to be completed and operational:
	4.4.8	Pump Type and Size: 30 hp
	4.4.9	Pump power sources Preliminary is Gen Set, future will be Fixed AEP
	4.4.10	Size of well casing: 8"
	4.4.11	Inside diameter of column pipe: 3"
	4.4.12	Maximum rate at which water can be withdrawn from the well: 71 (sustained) gpm
	4.4.13	Proposed meter type and model number: Digital

#### Part 4 - Well Information

Submit a Part 4 of this form for each individual well CSA #2 - supplemental sheet

4.1	maxim	dentifier or Well Name for well to be used for distribution of this water along with num rate at which water can be withdrawn from well: (If multiple wells, attach a te page)
	Well N	Name CSA 2 (to be drilled - see permit)  Estimated  GPM 71 gpm sustained
4.2		ction Permit Number No. for which you are seeking additional groundwater awal rights in this application, if any:
4.3	Source	e of Supply - Which aquifer(s) is/are the source of groundwater from the well:
	-	us Aquifer
4.4		de the following information for the well from which withdrawals are proposed identified in a Production Permit, or for which any of the information below has
chan		N/A
	4.4.1	Well Identifier or Well Name: CSA #2 (to be drilled)
	4.4.2	Physical address of the property upon which the well is located:
	J.P. S	Stubbs Ranch, CSA Materials Quarry, 7 miles northeast of Alpine, Texas
	4.4.3	Location of the well by latitude and longitude:
		Latitude: 30° 28' 03.75" N Amended Location from approved
		Longitude: 103° 36' 03.26' " W Drilling Permit
	4.4.4 4.4.5	Wellhead is located within the boundaries of the District (circle): Yes No Identify any surface water, including springs within 1,000 feet of the well: None
	4.4.6	Year well drilled or proposed to be drilled: 2018
		Year well completed and operational or proposed to be completed and operational: 018
	4.4.8	Pump Type and Size: 30 hp
	4.4.9	Pump power sources Preliminary is Gen Set, future will be Fixed AEP
	4.4.10	Size of well casing: 8"
	4.4.11	Inside diameter of column pipe: 3" Estimated
	4.4.12	Maximum rate at which water can be withdrawn from the well: 71 (sustained) gpm
		Proposed meter type and model number: Digital

#### Part 4 - Well Information

Submit a Part 4 of this form for each individual well CSA

## CSA #3 - supplemental sheet

4.1	maxin	dentifier or Well Name for well to be used for distribution of this water along with num rate at which water can be withdrawn from well: (If multiple wells, attach a te page)
	Well N	Name CSA 3 (to be drilled - see permit) Estimated 71 gpm sustained
4.2		ction Permit Number No. for which you are seeking additional groundwater awal rights in this application, if any:
4.3	Source	e of Supply - Which aquifer(s) is/are the source of groundwater from the well:
4.4 that a	Provide re not	le the following information for the well from which withdrawals are proposed identified in a Production Permit, or for which any of the information below has N/A
	4.4.1	Well Identifier or Well Name: CSA #3 (to be drilled)
	4.4.2	Physical address of the property upon which the well is located:
	J.P. S	Stubbs Ranch, CSA Materials Quarry, 7 miles northeast of Alpine, Texas
	4.4.3	Location of the well by latitude and longitude:
		Latitude: 30° 28' 12.0517" N Amended Location from approved
		Longitude: 103° 35' 50.278' " W Drilling Permit
	4.4.4 4.4.5	Wellhead is located within the boundaries of the District (circle): Yes No Identify any surface water, including springs within 1,000 feet of the well: None
	4.4.6	Year well drilled or proposed to be drilled: 2018
		Year well completed and operational or proposed to be completed and operational: 018
	4.4.8	Pump Type and Size: 30 hp
	4.4.9	Pump power sources Preliminary is Gen Set, future will be Fixed AEP
	4.4.10	Size of well casing: 8"
	4.4.11	Inside diameter of column pipe: 3" Estimated
	4.4.12	Maximum rate at which water can be withdrawn from the well: 71 (sustained) gpm
	4.4.13	Proposed meter type and model number: Digital

#### Part 5 - Supporting documentation

Please ensure that your application includes the following supporting documents, as applicable, and please note that the District may request additional information once the initial application has been submitted:

- 5.1 Supporting information regarding availability, access to, and cost to obtain water from a source other than the aquifer(s) located within the District. N/A
- 5.2 Completed engineering and/or USDA NRCS report as specified in Part 3 of this application; N/A
- **5.3** For all well(s) from which withdrawals are proposed that are not identified in a Production Permit, or for which any of the information below has changed, the following documents, if applicable:
  - a) completed well registration form(s); See attached Exhibit 5.3a (CSA#1) and 5.3b (CSA#2)
  - b) completed meter registration form(s): Well CSA 1 is equipped with meter and is available for District inspection and testing
  - c) a copy of: State Well Report(s); See attached Exhibit 5.3cd (CSA#1 only)
  - d) any geophysical logs for the well(s); N/A
  - e) a photograph of the well(s) taken approximately 100 feet from the wellhead: See attached Exhibit 5.3e
  - f) a recorded deed or other legal document verifying the applicant's ownership of the well(s) for which this application is filed; and Reference back to Exhibit 3.1.1 of this application
  - g) the water conservation plan and drought contingency plan prepared for TCEQ, if applicable. N/A
  - h) a copy of: a deed and legal description of the place of use of groundwater withdrawn from the well: N/A
  - i) a map identifying the boundaries of the applicant's Certificate of Convenience and Necessity (CCN). N/A
- **5.4** Copies of a contracts to purchase the groundwater from a third party who holds a permit or other authorization to produce groundwater within the District; See attached Exhibit 5.4a,b,c
- 5.5 Documentation that demonstrates using accepted engineering and scientific practices that:
  - a) there is insufficient water available in the proposed receiving area to substantially meet the actual or projected demand during the proposed term of the groundwater exportation permit; N/A
  - b) there is sufficient water available within the District to substantially meet the actual or projected demand during the proposed term of the ground vater exportation permit; N/A
  - c) the proposed exportation will not have an unreasonably adverse effect on aquifer conditions, depletion, or water quality within the District, N/A
  - d) the proposed expertation will not have an increasonably adverse effect on existing permittees or other groundwater users within the District; and N/A
  - e) the proposed exportation is consistent with the applicable Regional Water Plans approved by the Texas Water Development Board. N/A

## STATEMENT OF COMPLIANCE WITH DISTRICT GROUNDWATER MANAGE

	PLAN, DISTRICT RULES, AND COMMITMENT TO WATER CONSERVATION
	WATER QUALITY PROTECTION
9	Initial all that apply:
X	Applicant will comply with the District's Groundwater Management Plan.
X	Applicant is in compliance with all applicable District rules in effect and will comply with the District's rules.
Х	Applicant agrees to avoid waste and achieve water conservation.

Applicant agrees to use reasonable diligence to protect groundwater quality.

Applicant affirms that activities constituting the purpose of use for which the groundwater will be beneficially used will be managed to preserve, protect, prevent the pollution, degradation, or harmful alteration of, control and prevent the waste of, prevent the escape of groundwater from, and achieve the conservation of groundwater in and produced from, the aquifer.

STATE OF TEXAS COUNTY OF BREWSTER

#### CERTIFICATION†

I, the undersigned applicant, subscribe and affirm that the information provided herein is true and correct. I also understand that it shall be considered to be a fraud upon the District for any applicant to knowingly give erroneous information in this application.

Signed: Printed Name: UU

SIGNED AND SWORN TO before me on this the

TARA O'DONNELL

PUBLIC, State of Texas

Notary Public My Commission expires: March 27, 2019 STATE OF TEXAS

be signed by the applicant or a duly appointed agent. An agent shall be resent the applicant. If the applicant is an individual doing business under an assumed name, the applicant shall attach to the application an assumed name certificate filed with the county clerk of the county in which the principal place of business is located or with the Texas Secretary of State.

A joint application shall be signed by each applicant or each applicant's duly authorized agent with written evidence of such agency submitted with the application. If a well or proposed well is owned by both husband and wife, each person shall sign the application. Joint applicants shall select one among them to act for and represent the others in pursuing the application with the District with written evidence of such representation to be submitted with the application.

If the application is by a partnership, the application shall be signed by one of the general partners. If the applicant is a partnership doing business under an assumed name, the applicant shall attach to the application an assumed name certificate filed with the county clerk of the county in which the principal place of business is located or with the Texas Secretary of State. The name of the partnership must be followed by the words "a partnership."

If the applicant is an estate or guardianship, the application shall be signed by the duly appointed guardian or representative of the estate and a current copy of the letters testamentary issued by the court shall be attached.

If the applicant is a corporation, public district, county, municipality or other corporate entity, the application shall be signed by a duly authorized official. Written evidence in the form of bylaws, charters, or resolutions specifying the authority of the official to take such action shall be submitted along with the application. A corporation may file a corporate affidavit as evidence of a corporate official's authority to sign.

If the applicant is acting as trustee for another, the applicant shall sign as trustee and in the application shall disclose the nature of the trust agreement and give the name and current address of each trust beneficiary. The application must designate the trustee's name followed by the word "trustee," and the name of the trust for which the trustee is acting.



#### CRUSHED STONE AND ASPHALT PRODUCTS

May 15, 2018

Ms. Summer Webb GM, Brewster County Groundwater Conservation District P.O. Box 465 Alpine, Texas 79831

Ref: J.P. Stubbs / CSA Materials Application for Groundwater Production Permit

Dear Ms. Webb,

Please find attached our Groundwater Production Permit Application (Application) for Mining Use water to be produced on Mr. Johnny P. Stubbs' ranch north of Alpine, Texas. The production permit being requested would be under the Qualified Lands designation. The applicant is Mr. Johnny P. Stubbs who owns approximately 8,193 acres of contiguous land in the area of the application, all of which overlies the designated Igneous Aquifer. CSA Materials has a long-term mining lease on Mr. Stubbs' property, and CSA Materials will be responsible for drilling, operating, maintaining, reporting, and all other necessary BCGCD compliance requirements tied to any production permits associated with all wells identified as part of this application.

The quantity of groundwater requested in this Application is a maximum of 230 acre-feet per year. This quantity is based on the proven productive yield of CSA's first water well (CSA#1) which was drilled and completed in 2017, and an estimated equivalent yield associated with CSA's second proposed water well (CSA #2, to be drilled in 2018). The 230 acre-ft/year estimate is based on two wells, each operating at a maximum capacity of 71 gallons per minute, and each yielding 115 acre-feet per year. Since only one well has been completed and tested (CSA#1), CSA Materials would ask that the 230 acre-ft/year request be considered "Conditional"

#### LIMITED POWER OF ATTORNEY

PRINCIPAL:

JOHNNY P. STUBBS

P. O. Box 1215 Clint, Texas 79836

AGENT:

CHRIS CORNELL AND LON ALBERT, acting separately or in concert, on behalf of CSA Materials, Inc., as the authorized agents of CSA Materials, Inc. for purposes of this Limited Power

of Attorney. 3001 Foster Street

San Angelo, Texas 76903

SCOPE OF AUTHORITY: Principal designates Agent(s), in their capacity as representatives of CSA Materials, Inc., as his Attorney-in-Fact to conduct all dealings and transactions necessary, including but not limited to negotiations and binding agreements, to obtain drilling and production permits from the Brewster County Groundwater Conservation District for the construction of three (3) water wells in sections 198, 200, and 201 of said District.

DURATION:

This Limited Power of Attorney shall take effect immediately upon execution and shall remain effective until revoked in writing by Principal.

PRINCIPAL:

JOHNNY P. STUBBS P. O. Box 1215

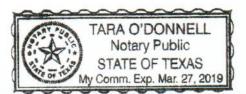
Clint, Texas 79836

STATE OF TEXAS

Tom Green

COUNTY OF EL PASO

SUBSCRIBED AND SWORN TO before me by JOHNNY P. STUBBS this QU



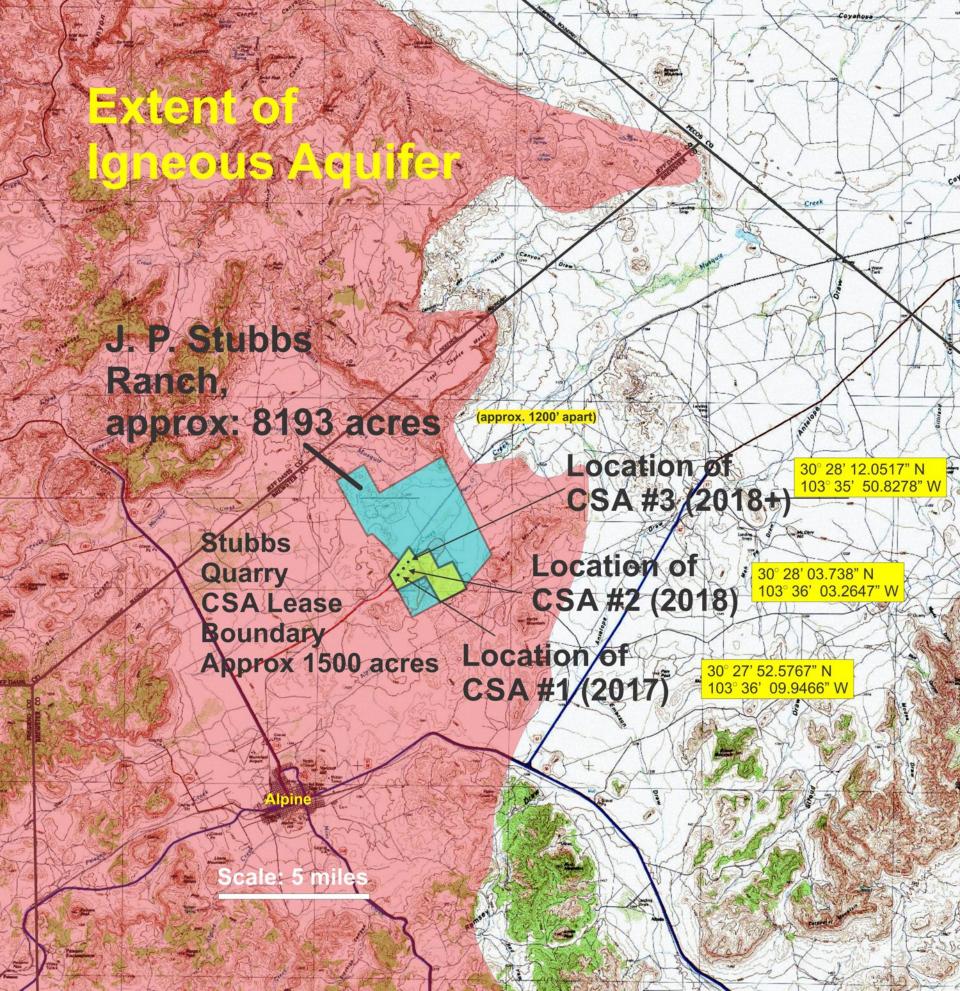
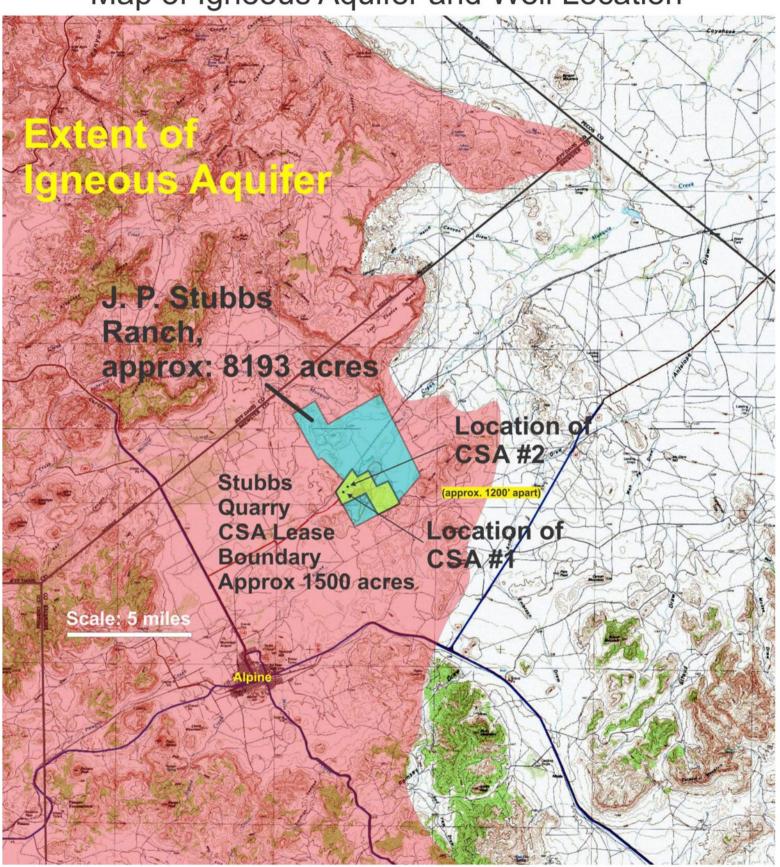


Exhibit 2.1 Map of Igneous Aquifer and Well Location



Map developed using information from June 2004 GAM - TWDB, LBG Guyton

# Exhibit 2.2 Estimated Production Capacity of Well and Permit Volume

Equipped with a 30hp submersible pump, an initial pump test was performed on the well which yielded approximately 186 gpm with 139' of drawdown after 60 minutes. The well rebounded 68' within 20 minutes and fully with 60 minutes.

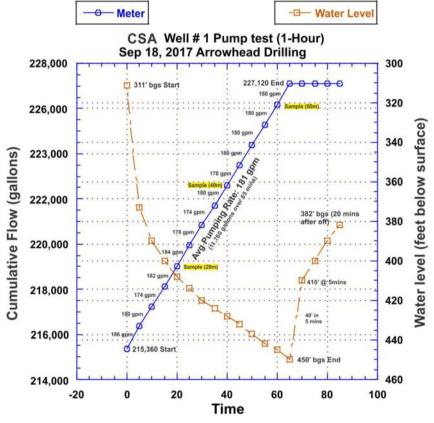
Long term pump testing indicates a sustained flow of 71 gpm after 36 hours of pumping. For the purposes of the production application, the proposed permit quantity would be the maximum annual capacity of the well at its maximum sustained rate of pumping:

71 gpm x 60 mins x 24 hours x 365 days = **114.8 ac-ft/year** 





Pump Testing on Well CSA 1



30 Hp Submersible, set at 470' bgs

## CSA Well #2 (drilling permit approved - to be drilled and tested in summer of 2018)

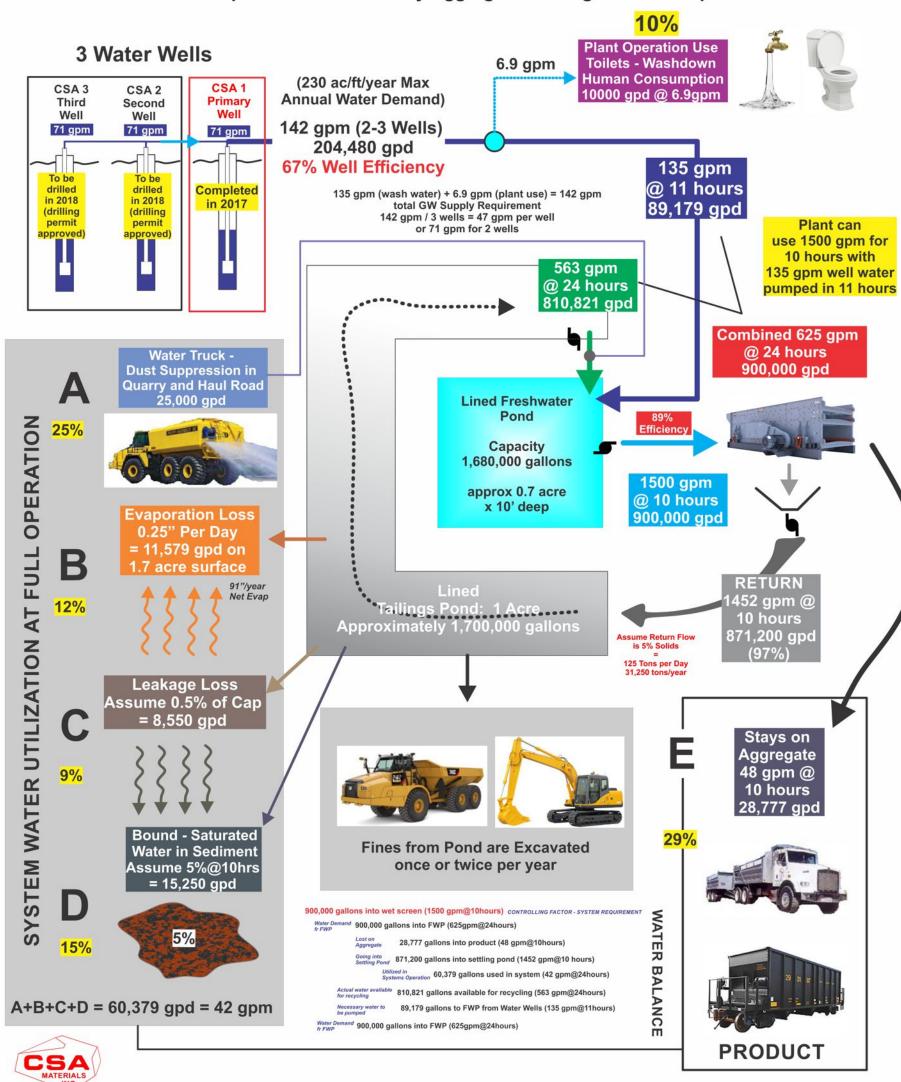
Presumption is that CSA Well #2 production capacity will match that for CSA #1. Proposed production allocation would be an amount Not to Exceed 115 ac-ft/yr or maximum capacity of well.

CSA #1 (115 ac-ft/yr) = CSA #2 (115 ac-ft/yr) = 230 ac-ft/yr Maximum

Conditional Conditional

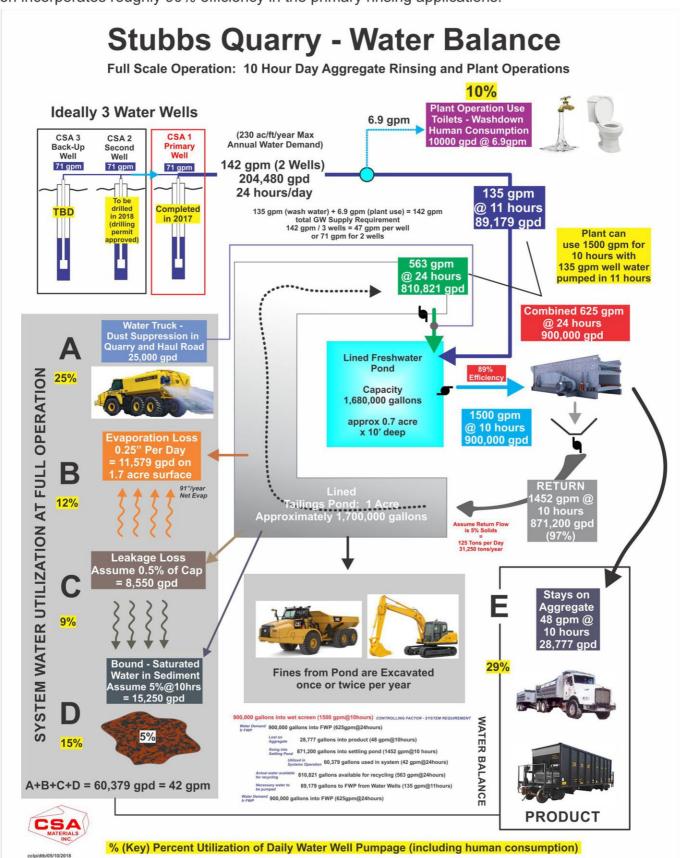
## Stubbs Quarry - Water Balance

Full Scale Operation: 10 Hour Day Aggregate Rinsing and Plant Operations



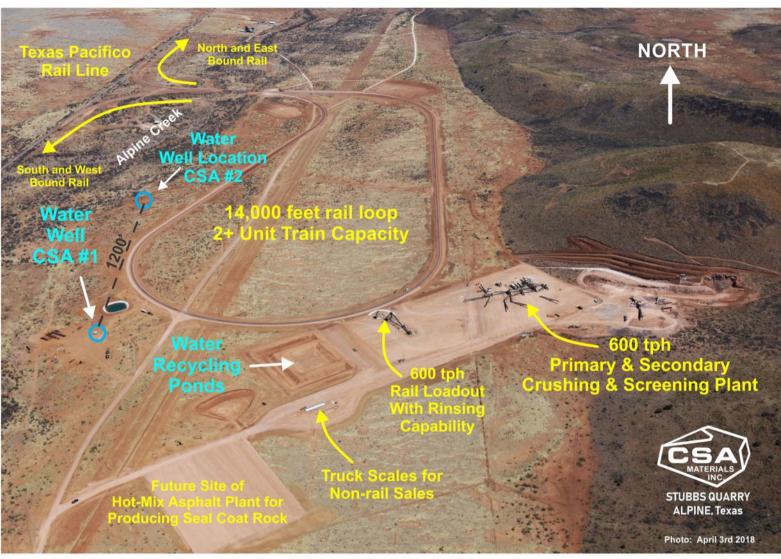
## Exhibit 2.3 Purpose of Use of Water from Well

The groundwater produced from Well CSA #1 will be utilized in the processing of construction materials for local, State, and Federal highway and construction projects. Water is critical for rinsing the finished product as well as necessary for dust suppression and human consumption. As the water balance model below illustrates, the operation incorporates roughly 90% efficiency in the primary rinsing applications.



## Exhibit 2.6 Description of Place of Use

The groundwater will be pumped from the well and supplied to a water recycling pond for use in rinsing aggregate that is being produced in the crushing and screening plant.





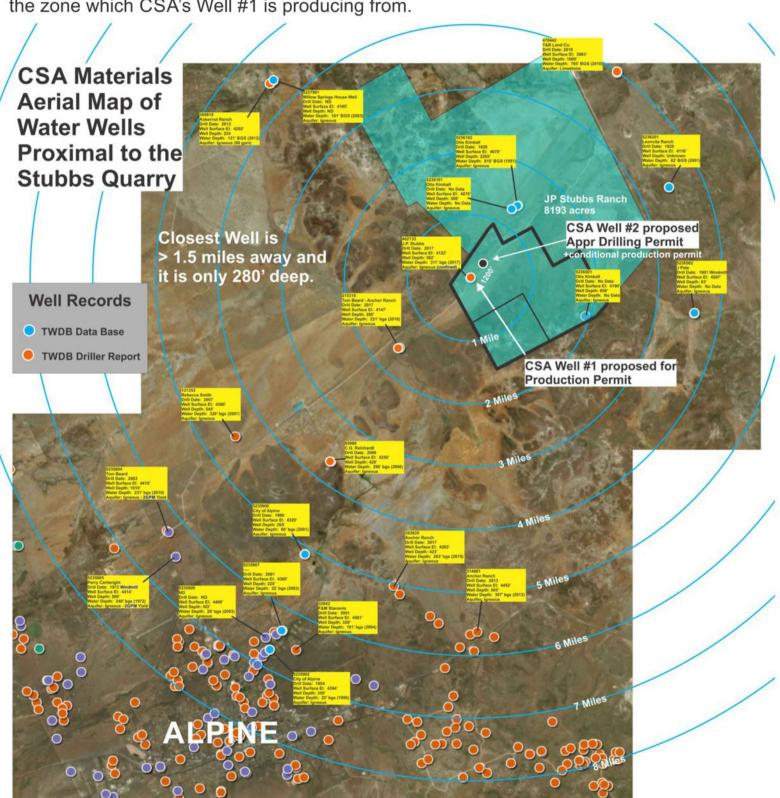
The aggregate produced from this quarry operation will provide important high quality aggregates for the construction of roads, bridges, homes, schools, and other purposes.

The operation is expected to operate year round and employ approximately 10 people.

## Exhibit 2.7a

## Regional Well Location Map Depicting Lack of Impact

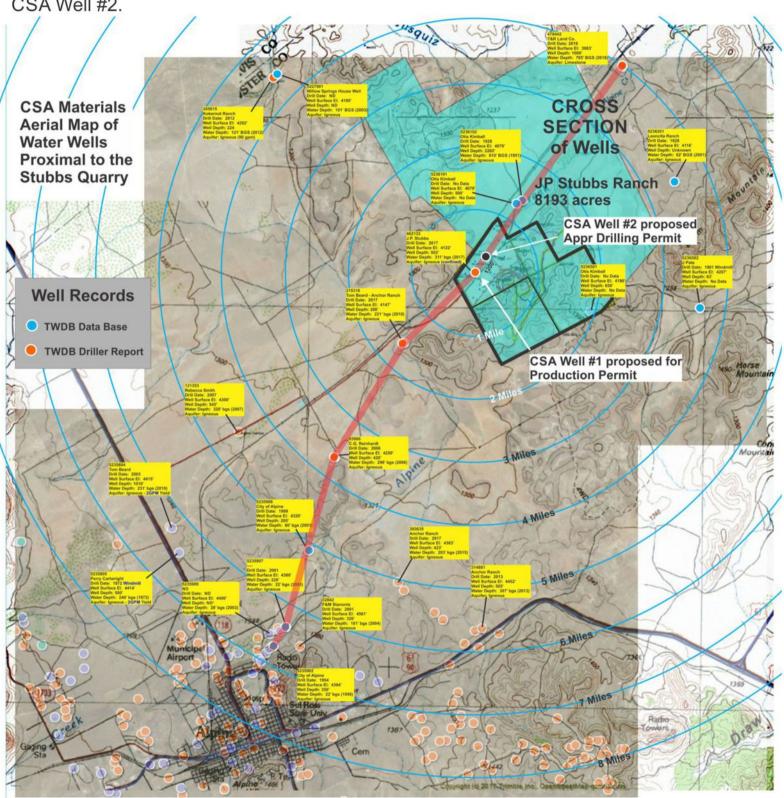
Map below identifies the closest water well to CSA's Well #1 as being approximately 1.5 miles away. This well is up gradient and slightly half as deep as the Stubbs Well #1. Based upon review of the Well Report, this well is producing from a zone much higher than the zone which CSA's Well #1 is producing from.



## Exhibit 2.7b

## Regional Well Location Map Depicting Lack of Impact

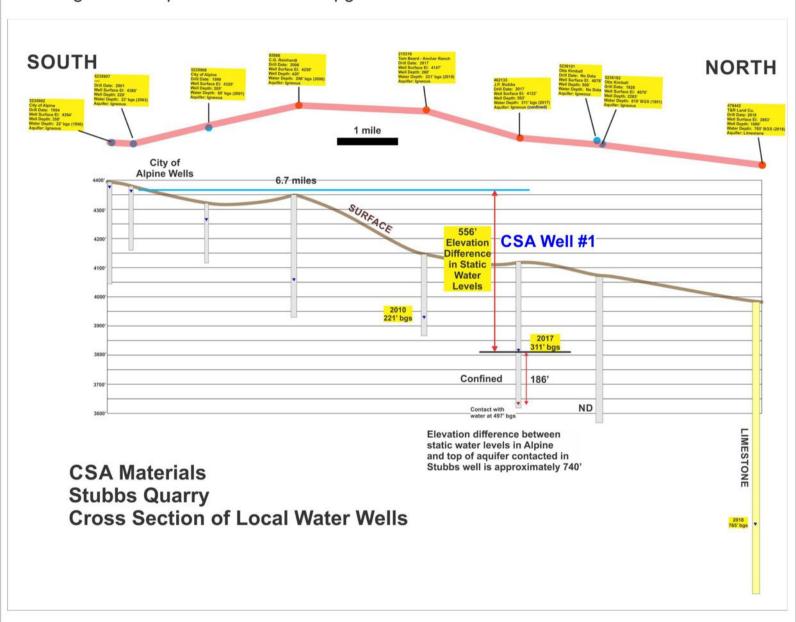
Map below includes the location of a Cross Section which will illustrate the relationships and distances between the up gradient water wells and the CSA Well #1 and proposed CSA Well #2.



### Exhibit 2.7c

### Regional Well Location Map Depicting Lack of Impact

Cross section below illustrates that not only are the City of Alpine water wells located more than 6.7 miles up gradient from the CSA Well #1, the water wells around Alpine have static water levels more than 550' above the water levels observed in the CSA's well. Being so far south and at such lower elevations, the CSA wells cannot interfere with any recharge to the Alpine wells or other upgradient water wells.



## Exhibit 3.1.1a Warranty Deed of Land Holdings

Book 296 Page 414

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

#### WARRANTY DEED

Doc‡ 95228

DATE: October 29, 2013

GRANTOR:

JUDY B. STUBBS

GRANTEE:

JOHNNY P. STUBBS

GRANTEE'S MAILING ADDRESS:

P.O. Box 1215

Clint, Texas 79836

#### CONSIDERATION:

GIVEN BY GRANTOR TO GRANTEE PURSUANT TO TERMS OF THE AGREEMENT INCIDENT TO DIVORCE IN CAUSE NO. 2011CM1729 IN THE DISTRICT COURT OF EL PASO COUNTY, TEXAS, 383rd JUDICIAL DISTRICT, DIVIDING MARITAL PROPERTY BETWEEN GRANTOR AND GRANTEE

PROPERTY: All of Grantor's interest in and to that property (including all improvements and crops thereon) located in Brewster County, Texas and more particularly described on Exhibit "A" attached hereto

#### RESERVATIONS FROM AND EXCEPTIONS TO CONVEYANCE AND WARRANTY:

Grantor reserves for herself and her heirs, executors, administrators, successors and assigns an easement across and over the Property for the purpose of providing pedestrian and vehicular ingress and egress (located at the places now used for roads on the Property) and for the purpose of access for utilities and Grantor further retains for the benefit of the property retained by her all rights under and pursuant to that certain Private Road Easement recorded in Book 133, Page 206, as ratified by Ratification recorded in Book 134, Page 673, all Real Property Records. Brewster County, Texas.

Taxes for the year 2013 and subsequent years which are not yet due and payable and which are assumed by Grantee; easements, rights-of-way, and prescriptive 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 or conveyances, that affect the Property; zoning, subdivision and other laws of the County of Brewster, Texas.

Grantor, for the consideration and subject to the reservations from and exceptions to conveyance and warranty, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and hold it to Grantee and Grantee's heirs, executors, administrators, successors and assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, successors and assigns to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, executors, administrators, successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the reservations from and exceptions to conveyance and warranty.

## Exhibit 3.1.1 Warranty Deed of Land Holdings

Book 296 Pase 416

#### **EXHIBIT "A"**

#### Description of the Ranch

Abstract	Block	Section	Survey	Acres	
9438	9	197 (N Part)	GH&SA	384.90*	
4262/4376	9	198 (N Part)	GH&SA	632.62*	
9431	9	199	GH&SA	644.91	
4274	9	200 (S/RR)	GH&SA	541.42	
4274	9	200 (N/RR)	GH&SA	12.19	
9432	9	201	GH&SA	648.60	
4261	9	202	GH&SA	649.48	
9433	9	203	GH&SA	650.73	
9439/9440	9	204	GH&SA	649.67	
9643/9434	9	205	GH&SA	418.32	
9441	. 9	206	GH&SA	644.34	
9435	9	207	GH&SA	648.37	
4257	9	208	GH&SA	650.24	
4259	9	210	GH&SA	645.23	
6179	00	SF 10517 (N/RR)	GH&SA	130.60*	
6179	00	SF 10517 (S/RR))	GH&SA	241.87*	

**TOTAL ACRES 8,193.49** 

\*This conveyance is intended to include all of the interest owned by Grantor in such indicated Sections SAVE AND EXCEPT those portions of such Sections shown on the Metes and Bounds and Survey attached hereto, which portions were conveyed to Grantee by Grantor by Deed of even date herewith.

## Exhibit 3.1.1c Legal Description of Land Holdings

#### METES AND BOUNDS

Book 296 Page 417

THE STATE OF TEXAS

#### THE COUNTY OF BREWSTER

Metes and bounds description of a 473.08 total acre tract of land, being 203.93 acres out of C. F. Kimball SF 10517, 257.09 acres out of Survey 197 and 12.06 acres out of Survey 198, Block 9, G.H.& S.A. Ry. Co. Surveys, Brewster County, Texas, said 473.08 acre tract being more particularly described as follows:

BEGINNING at a rock mound marked "NE 196" found in the West line of C. F. Kimball SF 10517 for the Northeast corner of Survey 196 and the Southeast corner of Survey 197, said Block 9, having State Plane Coordinates of Y= 984528.70 feet and X= 566638.40 feet, South Central Zone, NAD 1927;

THENCE South 64deg.35'30" West, at 5273.33 feet pass the common corner of Surveys 195, 196, 197 and 198, 6690.74 feet in all to a '4" iron rod and cap marked "WALKER 4425" set in the South line of said Survey 198;

THENCE North 36deg.55' East, at 1598.7 feet pass the East line of said Survey 198 and the West line of said Survey 197, at 7546.22 feet pass the East line of said Survey 197 and the West line of said C. F. Kimball, 8400.71 feet in all to a 4" iron rod and cap marked "WALKER 4425" set in the East line of said C. F. Kimball;

THENCE South 23deg.43' East 23856.17 feet with the East line of said C. F. Kimball to a %" pipe marked "SW 13" found for the Southwest corner of Survey 13, Block 10, and the South corner of said C. F. Kimball:

THENCE North 25deg.32'12" West 19944.15 feet with the East line of said Block 9 and the West line of said C. F. Kimball to the point of beginning.

Bearings and distances are based on the Texas Coordinate System, South Central Zone, NAD 1927.

A plat of this survey accompanies this description.

I hereby certify that the foregoing description represents the results of an actual survey on the ground made by me or under my direct supervision and that the lines and corners found or set are true and correct to the best of my knowledge and belief.

Steven F. Walker

Registered Professional Land Surveyor #4425

Date: October 4, 2013

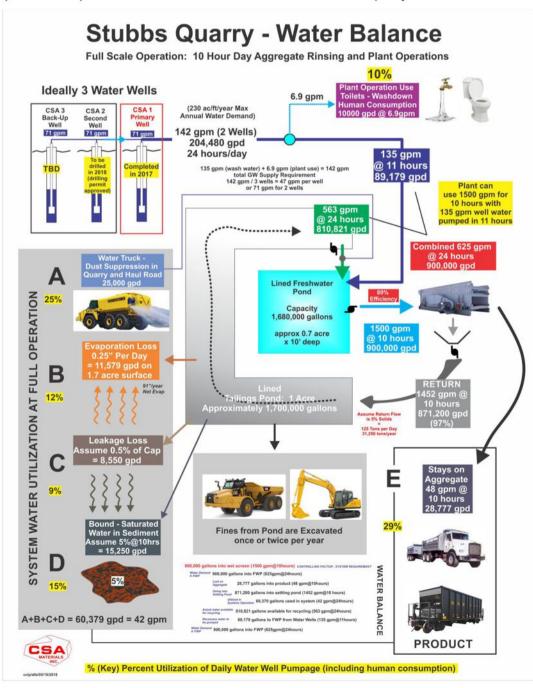
## Exhibit 3.3.3

## Estimated Amount of Water Used for Unit Production

As presented earlier in this application (Exhibit 2.3), a water balance for the Stubbs Quarry operation was created to illustrate the various demands on water usage in the processing of the construction aggregate.

Virtually all quarry operations use water to produce products. The amount of water utilized is generally a function of the type of products being produced and the characteristics of the stone being quarried. In some operations that produce strictly "base" materials where there is no need for washing of aggregates, the water usage can be limited to dust control and human consumption. However, in an operation such as CSA has developed, the aggregate must be rinsed to remove the finest of dust and particles of the finished product.

In general, limestone quarries and sand and gravel operations that produce washed products, the industry standard is usually between <u>150 and 300 gallons per ton of stone produced</u> per year. So 1,000,000 tons of product requires between 500 and 1000 ac/ft of water per year.



However, because of the scarcity and cost of water in the area of Brewster County, the Stubbs Quarry must be more efficient and incorporate much higher rates of water recycling and conservation.

As the water balance indicates, the proposed operation would have the capacity to produce as much as 1,500,000 tons of rinsed product which would require roughly 32 gallons of water per ton of aggregate.

204,480 gallons/day divided by 6000 tons per day of production equals 32 gallons of permitted water per ton of finished product.

This is roughly 1/10 of other mining operations producing washed aggregates.

## Exhibit 5.3a Completed Well Drilling Application Form



## Brewster County Groundwater Conservation District

Protecting and Conserving Brewster County WiGroundwater

PO Box 465 Alpine, Texas 79831

### CSA Well #1

Fax Number: 432-837-6235 e-mail:bcgwcd@gmail.com www.westtexasgroundwater.com

Owner Information		Applicat	1011101	Orilling Perr	THE P	Applicatio	n Numb	per	1000
Date: July 19, 2017	Fill in a	il blanks, if uni	known the	n put unknown	1				
Property Owner: Johnny P.	Stubbs			Phone: (915) 5	528-8210				
Mailing Address: PO Box 12				City, State, Zi		X 79836			
Operator or Agent: CSA Met				Phone: (325) 6					
Mailing Address: 3001 Fos				City, State, Zi		Angelo, TX 7	6903		10
		ha Landad		Ony, Otato, 2	p. Juli	anguic, inc.	0000		ual Coords n State Well
Legal Information For Tra Section: 200 Lot	ct Well to	Block 9	Acrea	ge: 1,399	Subdivid	sion: Abstra	act 4274		ort
							90.4274		
Well Information:GPS Loc	-			Longitude	103 36'				7' 52.5" N
Distance From Property Lin	es: North		South:	Wes	t: 2,350 fe	et	ast:	103° 3	6' 09.85" V
Yes Does the proposed No of Licensing and R								ent	
Distance to Nearest Well fe									
Distance to Sewer Lines/Se	eptic Syste	ms feet/mileset	c.: 1,780 ft	North					
	Domes	tic or Residentis	I ives	tock Wildlife ar	nd/or Pou	iltry   Ir	rigation		
	Manuta	tic or Residentia acturing or Indus If the status of the	strial 🔞 Co	ommercial	Other	Use show		MINING	
If this is a Replacement We	Manufa II, what wi used sole ger than t	If the status of	he old well? residential and that the agroundwate	Capped uses or for provided will be drilled a day.	Other Plugiding was	Use show "Other" - guise       ter for live	uld fall u tis for Unknown stock an	n nd wildlife	
If this is a Replacement We I certify that the well will be poultry on a tract of land lar incapable of producing mor	Manufa II, what wi used sole ger than to than 25.	If the status of	he old well? residential and that the agroundwate	Capped  Capped uses or for prov well will be drille or a day	Other Plugiding was	Use show "Other" - guise       ter for live	uld fall u tis for Unknown stock an	n nd wildlife	
If this is a Replacement We I certify that the well will be poultry on a tract of land lar incapable of producing mor Yes	Manufa II, what wi used sole ger than to than 25.	If the status of	he old well? residential and that the agroundwate	Capped  Capped uses or for prov well will be drille or a day	Other Plus	Use show "Other": gdee:	uld fall u tis for Unknown stock an quipped	n nd wildlife	
If this is a Replacement We I certify that the well will be poultry on a tract of land lar incapable of producing mor Yes	Manufa II, what wi used sole ger than te than 25. No Rogers	If the status of	he old well? residential and that the agroundwate	Capped uses or for provided will be drilled a day to the capped and the capped an	Other Plui	Use show "Other": gdee:	uld fall u tis for Unknown stock an quipped	n nd wildlife	
If this is a Replacement We certify that the well will be poultry on a tract of land lar incapable of producing more Yes  Driller Information  Driller Name: Christopher M.  Company Name: Bull's Eye S	Manufa II, what wi used sole ger than te than 25. No Rogers	If the status of	he old well? residential and that the agroundwate	Capped uses or for provivell will be drilled a day.	Other Plui	Use show "Other": gdee:	uld fall u tis for Unknown stock an quipped	n nd wildlife	
Driller Information  Driller Name: Christopher M.	Manufall, what will, what will used sole ger than to the than 25. No Rogers devices dollars to associates epartmentater Conse	If the status of status	he old well? residential ind that the regroundwater's Signature and on file with the residential individual in	Capped uses or for provivell will be drilled a day.  License Numb Phone: (830) 9  with Brewster Cotthe district from	Other Pluriding was ed, composer & Types 63-0123 County Grann any elements of the prior to a	Use show "Other":  gdee	uld fall u-it is for Unknown stock an quipped	nd wildlife so that it vation Diry agents,	strict

Note: well was started by Bullseye Drilling, however Bullseye was unable to complete the well. Arrowhead Drilling completed well and filed the State Well Drilling Report

## Exhibit 5.3b Completed Well Drilling Application Form

CSA # 2

## BREWSTER COUNTY GROUNDWATER CONSERVATION DISTRICT

P.O. Box 465 Alpine, Texas 79831 Phone (432)386-3437

CSA Well #2

bcgwcd@gmail.com www.Westtexasgroundwater.com

APPLICATION FOR DRILL All proposed new well locations must be approved by the District prior or emailed. The District staff shall review the form and make a prel exemptions provided by district rules and respond to this request within that the well is exempt, drilling may begin immediately upon receiving new well is at your own risk and subject to the rules of the District. It well operator, or water well driller to drill any well without the approximation. Once drilled, a copy of the drillers log must be registered with refundable fee is required with application. THIS FORM MAY BE MAIL	to drilling. This notice of intent to drill may be mailed iminary determination on whether the religious termination is 10 working days. If the preliminary determination is the approved Notice of Intent to Drill. The drilling of a shall be a violation of District 30 s 28 a 03 a 75 mer Noted Application For Drilling Permit form filed with the the state as well as sent to 03 n 36 to 03 a 26 mer W
Owner Information:  Date: 1-15-18 Property Owner: Johnny P. Stubbs  Mailing Address: Po fox 1215  Operator or Agent: CSA Matrials Inc.  Mailing Address: 3001 Foster Street	Phone: (915)528-8210
Section: 200 Lot: Block: 9 Acre	eage: 1,399 Subdivision: Abstract 4274
Well Information: GPS Location (in decimal): Latitude: 30 Distance From Property Lines: North South  Yes Does the proposed location meet setback requi No Department of Licensing and Regulation for Wa and the District?  Distance to Nearest Well in feet/miles, North/South/East/We Distance to Sewer Lines Septic Systems, feet/miles: >1 General description of well location (including acres owned, distance from closest well):	West ≥ 3 ∞ Feast rements as set forth in rules of the Texas ater Well Drillers and Pump Installers, TCEQ est: 1200' north of CSA#1
Proposed Well Use (Mark the appropriate box):  Municipal/Commercial Manufacturing/Industrial Irrigates Manufacturing/Indu	"Other" - it is for MINING use. ation Domestic or
Driller Information:	nse Number & Type: TDLR 58937WKLP Phone: 432-294-2335  Signature CHESCOPNEW Should be checked
District Use Only  Exempt Well: Wes No Operating Permit requirements of this Approved; Wes No	"No", this is not proposed lication is sulfe be an "Exempt Well" aired before drilling  Date: 3/8/18

Arrowhead well Service

## Exhibit 5.3c CSA Well #1 State Well Report (Page 1 of 2)



Owner: Johnny P. Stubbs

Address: PO Box 1215

Clint. TX 79836

Stubbs Ranch Well Location:

Alpine, TX

Well County:

Brewster

Proposed Use:

Owner Well #:

Grid #:

Latitude:

Longitude:

Elevation: No Data

CSA 1 C -

Industrial

30° 27' 52.5" N

103° 36' 09.95" W

52-36-1

Well #1, the 1 C designation was based on this being the 3rd attempt to

This is CSA

complete Well #1

Drilling Start Date: 8/31/2017

Type of Work: New Well

Drilling End Date: 9/14/2017

Actual use is "Mining"

Borehole:

Diameter (in.)	Top Depth (ft.)	Bottom Depth (ft.)	
14	0	20	
12	20	252	
10	252	502	

Drilling Method:

Air Hammer

Borehole Completion:

Straight Wall

Annular Seal Data:

	Top Depth (ft.)	Bottom Depth (ft.)	Description (number of sacks & material)	
ĺ	0	20	Cement 18 Bags/Sacks	
	20	28	Bentonite 7 Bags/Sacks	

Seal Method: Hand Mixed

Distance to Property Line (ft.): >500 ft.

Sealed By: Driller

Distance to Septic Field or other concentrated contamination (ft.): >500 ft.

Distance to Septic Tank (ft.): No Data

Method of Verification: No Data

Surface Completion: Steel Cased Surface Completion by Driller

Water Level:

299 ft. below land surface on 2017-10-05

Packers:

No Data

Type of Pump:

No Data

Well Tests:

Jetted

Yield: 90 GPM

## Exhibit 5.3d CSA Well #1 State Well Report (page 2 of 2)

Water Quality:

Strata Depth (ft.)	Water Type
463	Fresh
490	Fresh

Chemical Analysis Made: No

Did the driller knowingly penetrate any strata which

contained injurious constituents?: No

Certification Data: The driller certified that the driller drilled this well (or the well was drilled under the

driller's direct supervision) and that each and all of the statements herein are true and correct. The driller understood that failure to complete the required items will result in

the report(s) being returned for completion and resubmittal.

Company Information: Arrowhead Well Service & Construction LLC

P.O. Box 1903 Alpine, TX 79831

Driller Name: Kade Killingsworth License Number:

Comments: No Data

Report Amended on 2/14/2018 by Request #24252

## Lithology: DESCRIPTION & COLOR OF FORMATION MATERIAL

Top (ft.)	Bottom (ft.)	Description	
0	240	Overburden (dirt/gravel)	
240	375	Broken Basalt	
375	390	White Ash	
390	425	Red Ash	
425	490	Red Basalt	
490 502		Gravel	

## Casing: BLANK PIPE & WELL SCREEN DATA

58937

Dla (in.)	Туре	Material	Sch./Gage	Top (ft.)	Bottom (ft.)
10	Blank	New Steel		0	256
8	Blank	New Steel		2	411
8	Perforated or Slotted	New Steel	0.125	411	495

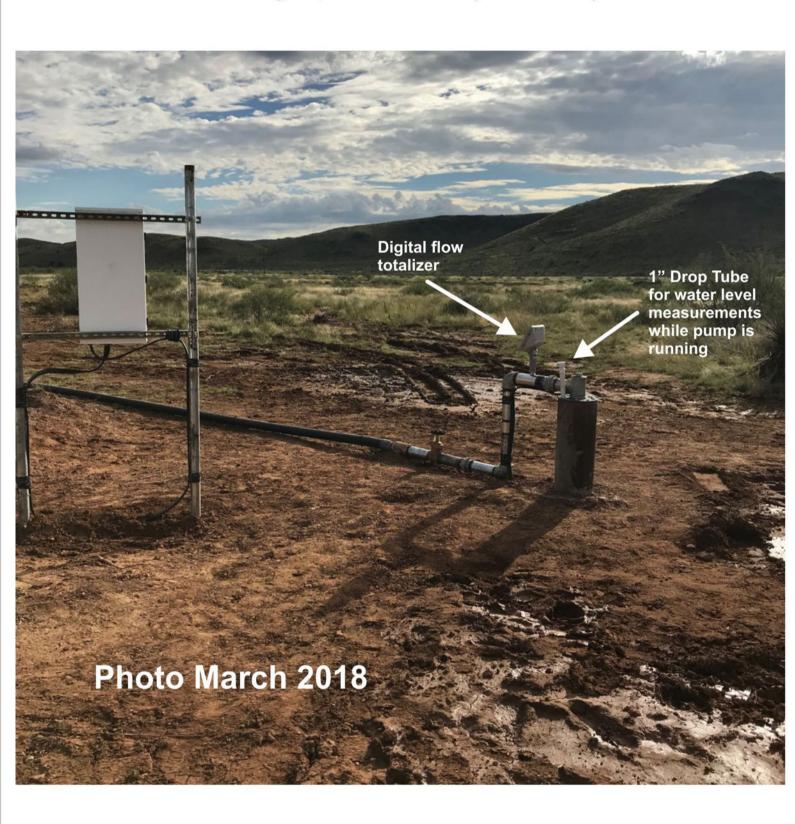
#### IMPORTANT NOTICE FOR PERSONS HAVING WELLS DRILLED CONCERNING CONFIDENTIALITY

TEX. OCC. CODE Title 12, Chapter 1901.251, authorizes the owner (owner or the person for whom the well was drilled) to keep information in Well Reports confidential. The Department shall hold the contents of the well log confidential and not a matter of public record if it receives, by certified mail, a written request to do so from the owner.

Please include the report's Tracking Number on your written request.

Texas Department of Licensing and Regulation P.O. Box 12157 Austin, TX 78711 (512) 334-5540

## Exhibit 5.3e Photograph of Well (CSA #1)



### Exhibit 5.4a

## Summary of Contract for Water Production from Well CSA#1 prior to Approved Production Permit

STATE OF TEXAS \$
COUNTY OF BREWSTER \$

#### GROUNDWATER CONTRACT

This Groundwater Contract is entered into to be effective October 25, 2017, by and between CSA Materials, Inc., as "Buyer" and Kay Green and Meriwether Ranch, Alpine, Texas, as "Seller." Buyer and Seller may collectively be referred to herein as the "Parties."

#### Recitals

WHEREAS, Buyer wants to purchase the right to produce up to twenty-five acre-feet of groundwater authorized by Seller's groundwater production permit issued by the Brewster County Groundwater Conservation District (the "District"); and

WHEREAS, Seller is willing to sell the Buyer the right to produce said twenty-five acrefeet from a well drilled and completed on Buyer's leased property at the Stubb's Ranch outside of Alpine, Brewster County, Texas, for beneficial use in connection with Buyer's construction and development of a new aggregate quarry operation; and

WHEREAS, the Parties are executing this Groundwater Contract to memorialize the terms and conditions of their agreement to facilitate Buyer's production and beneficial use of twenty-five of the acre-feet of groundwater authorized to be produced pursuant to Seller's production permit from the District;

NOW, THEREFORE, in consideration of the mutual benefits to be received by the Parties from this Contract, Ten Dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

#### Agreement

- Agreement to Buy/Sell: Seller agrees to allow Buyer to produce up to twenty-five acrefeet of groundwater authorized to be produced pursuant to Seller's production permit from the District on Buyer's lease property for beneficial use in connection with Buyer's quarry operations at property identified in Paragraph 4. below.
- 2. Purchase Price. (a) The purchase price to be paid by Buyer to Seller for Groundwater shall be equal to per 42-gallon barrel or per acre foot produced from Buyer's and measured at the wellhead with a Metering device (the "Purchase Price").
  - (b) The Purchase Price shall be paid to Seller monthly on or before the 10 the business day of the month following the month in which the groundwater was produced.
- 3. <u>Metering & Reporting</u>: (a) The groundwater produced by the Buyer from Buyers well pursuant to Seller's Production Permit from the District shall be measured and records maintained in accordance with the District's Rules.

### Exhibit 5.4b

## Summary of Contract for Water Production from Well CSA#1 prior to Approved Production Permit

- (b) Buyer shall maintain production records, and provide copies of all meter records to both the District and the Seller in compliance with the District Rules.
- (c) All Meters installed by Buyer shall meet the minimum standards of any governmental entity with regulatory jurisdiction over the production of Groundwater, including the District and TCEQ.
- 4. Place of Production: Buyer shall produce all water purchased pursuant to this Agreement from Buyer's well CSA No. 1C Well completed in the Igneous formation on the Stubbs Ranch in Brewster County. Water produced pursuant to this Agreement shall be used for Buyer's quarry operations in Brewster County, Texas for industrial and mining purposes in connection with the development on the Stubbs Ranch, including the following tracts of land:

Abstract 4274, Block 9, Section 200 (S/RR), GH&SA, consisting of 541.42 acres.

Abstract 9432, S/W corner of Block 9, Section 201, GH&SA, consisting of 225.17 acres; and

Abstract 4262/4376, Block 9, Section 198 (N Part), GH&SA, consisting of 632.62 acres.

- 5. Right of Inspection: Seller shall have a right of reasonable inspection during normal business hours to ensure that all water produced pursuant to the Agreement is metered and put to beneficial, non-wasteful use for industrial and mining purposes in compliance with the terms and conditions of Seller's Production Permit issued by the District. Seller shall provide Buyer with 24-hour's notice of the intent to conduct an inspection. All inspections must be completed in the presence of a representative of the Buyer to ensure that all Buyer's safety requirements are satisfied.
- 6. Compliance With District Rules: Buyer agrees to produce all groundwater contemplated by this Agreement in accordance with the rules of the District, and any applicable District Orders, including the terms and conditions set forth in Seller's Permit, provided, that the Seller has provided Buyer with a copy of Seller's Permit issued by the District.
- 7. <u>Term</u>: (a) Unless otherwise agreed to by the Parties, the term of this Contract shall be the earlier of six months from the Effective Date, the date on which Buyer has produced the full twenty-five acre feet of groundwater, or the date on which the Buyer gives Seller notice of termination.
  - (b) Buyer shall provide Seller with written notice of
- 8. Notices: Any notice required by this Agreement shall be provided to the Buyer and Seller at the address and/or telephone number provided below:

# Exhibit 5.4c Summary of Contract for Water Production from Well CSA#1 prior to Approved Production Permit

(a) Notice to Seller:

Attn: Ms. Kay Green

Meriwether Ranch P.O. Box 1088

Alpine, Texas 79831 Phone: (432) 364-2554

(b) Notice to Buyer:

CSA Materials, Inc. Attn: Chris Cornell,

Business Development Manager

P.O. Box 120

Alpine, Texas 79830 Phone: (325) 655-4511

Executed in multiple counter parts, each to be considered an original.

Seller: Kay Green/Meriwether Ranch

Kay Green,

Owner

Buyer: CSA Materials, Inc.

Chris Cornell, Manager