Corpora II/Mumford Farms Application for Drilling & Production Permits

Introduction

A. <u>Production Request:</u>

Sandra Ryan, Individually, and as Trustee of the Sandra C. Ryan Trust, together with Bernadette Sloat, *fka* Bernadette Priestly, Individually, and as Trustee of the Bernadette C. Priestly Trust (collectively the "Applicants") file this application to drill 4 well(s) on property known as the Mumford Farm to be completed in the Simsboro Formation for the purpose of producing up to 1,940 acre-feet per annum cumulatively from the 4 wells. Each Well is to be allocated a production authorization of 485 acre-feet per annum. The 4 wells are collectively referred to herein as the "Corpora II Wells" or "Mumford Farm Wells." The purpose for which the production is requested includes all beneficial purposes as those terms are defined in Section 36.001(9), Texas Water Code, and BVGCD Rule 1.1(45).

B. Well Names & Locations:

Applicants' proposed wells are identified by name as indicated in the Table 1.0 below. The location of each of the wells is depicted on the Map appended hereto as an Exhibit as indicated in the same Table 1.0.

Well NameLocation Map ExhibitCorpora No. 14Ex. No. 1 - Figure Nos. 1-5b, inclusiveCorpora No. 15Ex. No. 1 - Figure Nos. 1-5b, inclusiveCorpora No. 16Ex. No. 1 - Figure Nos. 1-5b, inclusiveCorpora No. 17Ex. No. 1 - Figure Nos. 1-5b, inclusive

Table 1.0

C. Third-Party Contracts:

At this time Applicants do not have any contracts for the use of the requested beneficial purposes other than domestic and livestock use, agricultural uses and recreational uses on Applicants' property. Accordingly, Applicants propose the inclusion of a special condition in their permit that before they produce any groundwater from one of the 4 Wells, that Applicants provide the District with written confirmation that Applicants have a written agreement for such beneficial purposes, including a written, signed commitment from the party that will be making use of the groundwater produced from Applicants' wells for any of such beneficial purposes, if the user is other than the Applicants, that commits the third-party user to the following:

1) Dedication of the use of the groundwater produced to the beneficial purpose for which the groundwater is authorized to be used without waste; and

- 2) Conservation of the groundwater in accordance with the terms of the permit, any adopted water conservation and drought management plans, as well as the rules and any applicable orders adopted by the District during the term of the Permit; and
- 3) Commitment to follow all other applicable rules, statutes and orders of the District, including its enabling legislation and Chapter 36, Texas Water Code.

D. <u>Location of Use/No Export:</u>

At this time, Applicants seek only authorization to use the groundwater permitted to be produced for beneficial purposes within the boundaries of the District (Brazos and Robertson Counties, Texas). Applicants are not seeking authority to export the groundwater produced for beneficial use outside of the District. In the event Applicants prospectively determine to produce groundwater for beneficial purposes outside of the District, the Applicants will make application to the District for an appropriate amendment authorizing such export if the need arises.

E. Well Spacing:

Applicants retained the services of a noted hydrogeologic firm, The Thornhill Group, Inc. ("TGI"), led by Mike Thornhill, P.G., President. In preparation of this Application, Mr. Thornhill engaged in discussions with the District's General Manager, Alan Day, regarding the spacing of groundwater wells pursuant to current District Rules 6.1, 6.2 and 7.1. Mr. Day explained his hope to pursue modifications to those rules which would increase the restrictive requirements in the current rules for both (i) the minimum "setbacks" of wells from a permittee's property lines, and (ii) the spacing distance between new wells and existing wells completed in the same aquifer as Applicants' proposed wells on neighboring properties. Pursuant to Mr. Thornhill's discussions with Mr. Day, Applicants propose to adhere to Mr. Day's requested setback and spacing criteria, which is summarized as follows:

The BVGCD Rules currently regulate the spacing and production of groundwater from groundwater wells (completed in the Simsboro Formation) based on the following:

- 1) Wells must be spaced from the nearest boundary of the property legally assigned to the well (*see* BVGCD Rule 7.1) a distance equal to the well's proposed average pumping rate multiplied by 0.5 (*see* BVGCD Rule 6.1); and,
- 2) Wells must be spaced from *any other permitted or registered well completed in the Simsboro Formation* a distance equal to the average production rate or capacity of the well multiplied by one (1). The BVGCD Rules provide no requirement that distance for spacing between wells must be confined to the property "legally assigned" to the well (*see* BVGCD Rule 6.1). In fact, the current BVGCD Rules provide for exceptions to the well-to-well spacing rules for wells on the same property or if waivers are provided by landowners of nearby wells (*see* BVGCD Rule 6.2). In fact, the Rules state that the BVGCD may waive the requirement for spacing between wells *if* the permit applicant provides evidence that the closer spacing will not cause increased drawdown on nearby wells. *Id.*; and,
- 3) The amount (*i.e.*, acreage) of land "legally assigned" to a permitted well is based primarily on the annual average pumping rate of the subject well (which is also the well spacing

radius) (see BVGCD Rule 7.1(c)). The Rule also states: "[M]ore than one well may be assigned to the production acreage at the discretion of the Board as long as the spacing requirements are met."

The required spacing from the permittee's property line is a straightforward rule, and is demonstrated on the attached maps by the smaller diameter **red circles** around each proposed well site. *See* Exhibit No. 2 (Well Spacing Map).

Based on Mr. Thornhill's discussions with Mr. Day, his objective is to achieve well-to-well spacing that is confined to the "property legally assigned" to the well (*see* BVGCD Rules 1.1(33), 6.1.

To achieve Mr. Day's objective, each of the proposed wells have been sited on Applicants' property so that the well-to-well spacings do not extend beyond the property boundaries of the land assigned to each well. The well-to-well spacings are represented on the attached maps by **black circles** surrounding each well. *See* Exhibit No. 2 (Well Spacing Map). As Mr. Day's desired well spacing limitations are conservative, and restrict the capacity of each well, the Applicants are applying for less than the maximum volume of groundwater that would otherwise be available to them from the Simsboro Formation.

Applicants' implementation of the more restrictive well siting criteria is reflected in the Well Siting Map appended to this Application as Applicants' Exhibit No. 2. The respective "red" and "black" circles around each proposed well site depicted on Applicants' Exhibit No. 2 follow the criteria summarized above.

Notwithstanding the fact that neither the District's current Rules (BVGCD Rules in Sections 6 or 7), nor its enabling legislation¹ or any provision of Chapter 36, Texas Water Code authorizes the District, or requires an Applicant to secure authorization, permission or any form of consent to produce groundwater from a groundwater well drilled on and completed within the boundaries of a permittee's property, as recognized by the Texas Legislature in Section 36.002(b), Applicants' voluntary agreement to adhere to Mr. Day's preferred well setback and spacing criteria described in this Section E. (Well Spacing) of this Application negate any need for the Applicants to seek or obtain any such waiver, authorization, permission or consent.

F. Dedication to Use for a Beneficial Purpose:

Applicants acknowledge and agree to dedicate all groundwater produced from the groundwater wells sought to be permitted pursuant to this Application to a beneficial purpose without waste.

G. <u>Authority to Drill, Maintain, Operate, Produce and Beneficially Use Groundwater</u> Sought to be Permitted Pursuant to this Application:

Applicants are the owners of fee title to both the groundwater estate and the surface of the real property known locally as the Mumford Farm in Robertson County, that is the subject matter

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¹ Tex. Spec. Dist. Local Laws Code Ch. 8835.

of this Application. All four (4) of the proposed wells are located on the Mumford Farm property. Copies of the instruments from which the Applicants derive title to the groundwater are appended to the BVGCD's Affidavit attached hereto and incorporated by reference as Appendix "B."

Applicants have the legal right to construct, maintain and operate the 4 groundwater wells and appurtenant facilities pursuant to their title in and to the groundwater estate underlying the property as identified in the 4 instruments of title included in Appendix "B."

H. <u>Confirmation of Commitment to Conserve Groundwater, and Adhere to Permit Terms and Conditions, and the Rules and Orders of the District, its Enabling Legislation and Chapter 36, Texas Water Code:</u>

Applicants agree to comply with and adhere to the applicable and lawful terms and conditions of the Permit requested in this Application, together with the District's Rules, Orders and enabling legislation and Chapter 36, Texas Water Code.

I. <u>Aquifer Testing</u>:

Applicants have included as Exhibit No. 1, a copy of TGI's Aquifer Evaluation Report, dated July 6, 2023, assessing local aquifer characteristics and evaluating the potential influence production from the 4 wells contemplated by this Application may influence other groundwater users within the jurisdiction of the District. Prior to producing groundwater from any groundwater well authorized by the Permit contemplated by this Application, Applicants will conduct the District mandated aquifer testing, and will (i) provide the District of the date of such testing, and (ii) provide the District with a copy of the Aquifer Testing Report to be prepared by Applicants' hydrogeologic Consultant, TGI, when complete. (see BVGCD Rule 8.7)

J. <u>District's Application Form & Application Fee:</u>

Applicants have completed the District's prescribed form Drilling and Production Application Form and included it as Appendix "A" hereto. Also included with this Application is Check No. 2255, payable to the District in the amount of Four Hundred Dollars (\$400.00). This amount reflects the Applicants' request to permit the drilling of 4 wells at the District's scheduled fee of One Hundred Dollars per well (\$100.00/well). A copy of Check No. 2255 is also appended hereto as Applicants' Exhibit No. 3 for future reference.