

Item 5 – Conversion of Oil/Gas Wells to Simsboro Monitoring Wells

It has long been the goal of the District to locate and convert 3 or 4 oil & gas wells to Simsboro monitoring wells. This would be done in an area generally east of Hwy 6 and south of Hwy 21 in Brazos County. I have spent much time contacting oil and gas producers over the past 18 months trying to locate wells that would be good candidates for conversion.

The District now has the opportunity to fulfill one of its long term goals. Halcon Resources has recently agreed to partner with the District in our well conversion efforts. To date, eight wells have been identified which are subject to near term plugging. Five of the wells are in the prime area prescribed by John Seifert. The most difficult part is locating a candidate well. Once a well has been plugged, it is off the list forever. It is important when wells are found in desirable areas we act promptly.

The process would include:

- Halcon Resources plugging the well back the bottom of the Simsboro formation
- Halcon Resources would secure releases from all mineral interests associated with the well.
- The District would be responsible for:
 1. Gamma Ray of the well to determine exact location of the Simsboro formation
 2. Perforation of the well casing and cement
 3. Pumping or swabbing of the well to insure formation communication
 4. Disposal of any water pumped
 5. Cleaning of paraffin/oil distillates from the well
 6. Equipping the well with a pressure transducer and telemetry

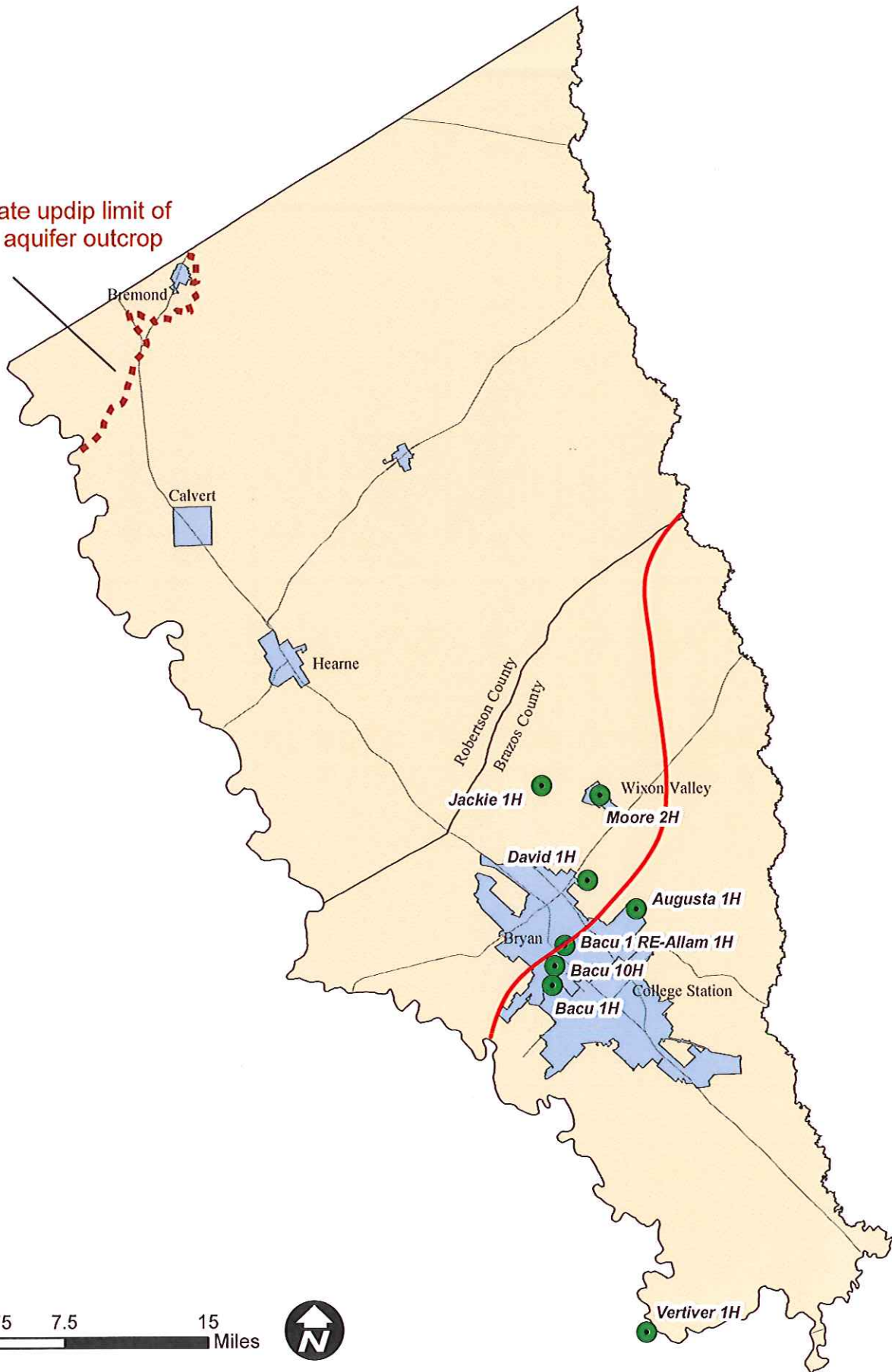
Post Oak Savannah GCD has been highly successful at accomplishing well conversions and coming to long term agreements with landowners. I have asked for their advice and expertise as our program begins. There is no reason to reinvent the wheel.

Following are documents pertinent to the discussion:

- Map of area for additional monitoring wells overlain with the eight oil wells identified by Halcon Resources.
- Landowner agreement used by POSGCD
- Cost quote for pressure transducers, telemetry, and costs associated with data collection from the dataloggers at each of the wells.

Cost estimates, using POSGCD costs as a guide, typically run from \$15,000 to \$20,000 per well. I would ask the Board to thoroughly discuss the magnitude of the conversion program and allow the General Manager the latitude to implement the program once the scope has been determined.

Approximate updip limit of
Simsboro aquifer outcrop





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 ID: 64-0590404
 P: (800) 333-2252
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Prepared For:	Bill To:	Ship To:	Quote Information
Brazos Valley GCD 112 W 3rd Hearne, TX 77859 United States	Brazos Valley GCD 112 W 3rd Hearne, TX 77859 United States	Brazos Valley GCD 112 W 3rd Hearne, TX 77859 United States	Quote #: REIPQ10114 Date: 02/22/16 Rep: Russell Park

Attn: Alan Day P: (979)279-9350 E: aday@brazosvalleygcd.org

Taxes:	F.O.B.	Terms	Ship Via	Estimated Shipment
Not Included	Origin	Net 30	Best Way	2-4 weeks

Qty	Part #	Description	Unit Price	Ext. Price
4	0062170	Tube 300S Telemetry System with Solar Panel, 3G Modem, Non-Vented Rugged TROLL connector. Includes solar panel with internal nickel cadmium battery, SD card, standard antenna, mounting bracket (communication accessories sold separately)	\$1,495.00	\$5,980.00
4		Data Activation Fee per Telemetry System	\$45.00	\$180.00
4	0091950	RuggedTROLL 200 0 - 250 ft (0 - 76m) Titanium housing, data logger, internal power, memory, non-vented level/pressure and temperature sensors	\$595.00	\$2,380.00
4	0061500-02-200	500 ft. Direct Read Cable, for use with Rugged TROLL 200 and Rugged BaroTROLL; RS485, Top of Well connector. small Reel (Max. Recommended 0-1000ft / 0-30m) Cost is 1.75/ft + 99.00 + 11.00 for shipping reel	\$985.00	\$3,940.00
1	0063540	Tube 300R/300S and Cube 300R/300S Computer Setup Cable USB	\$125.00	\$125.00
1	91990	Rugged TROLL 200 TROLL Com and Software Bundle USB	\$257.00	\$257.00
1	INSFRT6	In-Situ Shipping and Handling - FedEx Ground - Flat rate for orders \$ 10000.00 - \$ 24999.99	\$122.50	\$122.50
		Running SubTotal		\$12,984.50
Data Service - Annual				
12	0084500	Tube 300R/S HydroVu data services, including cellular service, SIM card, and cloud data visualization per month with a 1 year commitment.	\$35.00	\$420.00
12	0084500	Tube 300R/S HydroVu data services, including cellular service, SIM card, and cloud data visualization per month with a 1 year commitment.	\$35.00	\$420.00
12	0084500	Tube 300R/S HydroVu data services, including cellular service, SIM card, and cloud data visualization per month with a 1 year commitment.	\$35.00	\$420.00
12	0084500	Tube 300R/S HydroVu data services, including cellular service, SIM card, and cloud data visualization per month with a 1 year commitment.	\$35.00	\$420.00

Total \$14,664.50

C.C. Lynch & Associates, Inc.

Russell Park



Cellular Network Telemetry Systems

Quickly connect to remote monitoring stations by using cellular network technology. Economical, secure telemetry systems reduce data collection costs by providing real-time access to data, event notifications, and system status updates. Superior power supply management ensures long-lasting, independent operation at remote sites.

- **Tube Systems:** For in-well deployments and low-profile installations, choose the battery-powered Tube 300R. For high-frequency sampling, choose the solar-powered Tube 300S. Connect up to five instruments to a Tube System using a TROLL® Net Hub.
- **Cube Systems:** For sites that require multiple sensors, choose the battery-powered Cube 300R or the solar-powered Cube 300S. Connect up to five instruments to one Cube.

Both the Tube and Cube Systems offer data logging and transmission; remote configuration control; and alarm notifications for parameter thresholds, instrument malfunction, and tampering detection.

Real-Time Data

- Receive automatic data log uploads to your email or FTP site at customized intervals.
- Easily integrate systems into your current data management platform for real-time evaluation of site data and conditions.
- Never miss a data point. The system recognizes missed data and sends that data on the next transmission.

Real-Time Decisions

- Quickly respond to user-defined field events or to tampering. Automatic alarm notifications are sent to your email or phone via text message.
- Significantly reduce site visits. Receive system status updates, diagnose problems, and perform preventative and corrective maintenance from your office.

Real-Time Support

- Receive free, 24/7 technical support and online resources.
- Order instruments and accessories from the In-Situ e-store.
- Troubleshoot deployment issues by using an external modem.
- Duplicate logs on the data logger and the telemetry system for confidence in the most remote locations.

Applications

- Long-term groundwater and surface-water monitoring
- Event notification—crest stage gages, flood warning system, storm surge, slope stability
- Mine dewatering and acid mine drainage
- Stormwater management
- Tide gaging



Rugged TROLL[®] 100 and 200 Data Loggers

Rugged TROLL 100 and 200 Data Loggers are designed for long- and short-term groundwater and surface water monitoring. These non-vented (absolute) water level data loggers measure and record changes in water level, pressure, and temperature. Ensure accurate results by using a Rugged BaroTROLL[®] Data Logger. All loggers are compatible with user-friendly Win-Situ[®] Software, which guides you through programming steps, automates level corrections, and accelerates report generation.

Affordable Titanium Data Loggers

- Get reliable data at a budget-friendly price.
- Use in harsh environments. Solid titanium construction offers chemical- and corrosion-resistance and outlasts specially-coated data loggers.
- Select the appropriate logging mode for your project: Linear, Fast Linear, or Event.

Flexible Deployment Options

- Deploy zero-maintenance loggers in flood-prone areas, high-humidity environments, and remote locations.
- Choose the cable length and termination type that works best for your project.
- Use suspension wire and backshell hanger for applications requiring minimal instrument access.

Simplified Setup and Data Retrieval

- Save time and reduce errors with the intuitive Win-Situ 5 and Win-Situ Mobile Software platform. Quickly program loggers, download data, graph results, and more.
- Use a Rugged TROLL Docking Station for programming and downloading data.
- Connect a cabled logger to a telemetry system, radio, controller, or a SCADA/PLC system via Modbus/RS485 or SDI-12 (only Rugged TROLL 200 and Rugged BaroTROLL).

Outstanding Service

- Receive **free**, 24/7 technical support and online resources.
- Order data loggers and accessories from the In-Situ e-store.
- Get guaranteed 7-day service for maintenance (U.S.A. only).

Applications

- Coastal wetland and estuary research
- Crest stage gaging and stream gaging
- Drilling and well development
- Flood and storm surge monitoring
- Landfill leachate monitoring

Rugged TROLL® 100 and 200 Data Loggers

General	Rugged TROLL 100 & 200	Rugged BaroTROLL
Temperature ranges¹	Operational: 0-50° C (32-122° F) Storage: -40-80° C (-40-176° F) Calibrated: 0-50° C (32-122° F)	Operational: 0-50° C (32-122° F) Storage: -40-80° C (-40-176° F) Calibrated: 0-50° C (32-122° F)
Diameter	2.62 cm (1.03 in.)	2.62 cm (1.03 in.)
Length	14.43 cm (5.68 in.)	14.43 cm (5.68 in.)
Weight	170 g (0.37 lb)	170 g (0.37 lb)
Materials	Titanium body; Delrin [®] nose cone, hanger, backend	Titanium body; Delrin nose cone, hanger, backend
Output options	Rugged TROLL 100: USB or RS232 via docking station Rugged TROLL 200: USB or RS232 via docking station; Modbus/RS485 or SDI-12 via Rugged TROLL 200 Cable	USB or RS232 via docking station; Modbus/RS485 or SDI-12 via Rugged TROLL 200 Cable
Battery type & life²	3.6V Lithium; 10 years or 2M readings	3.6V Lithium; 10 years or 2M readings
External power	Rugged TROLL 100: NA Rugged TROLL 200: 8-36VDC	8-36VDC
Memory	1.0 MB	1.0 MB
Data records³	65,000	65,000
Data logs	Rugged TROLL 100: 1 log Rugged TROLL 200: 2 logs	2 logs
Fastest logging rate	1 per second	1 per minute
Fastest output rate	Rugged TROLL 200 only Modbus & SDI-12: 1 per second	Modbus & SDI-12: 1 per second
Log types	Linear, Fast Linear, and Event	Linear
Sensor Type/ Material	Piezoresistive; Ceramic	Piezoresistive; Ceramic
Range	9.0 m (30 ft) (Burst: 18 m; 60 ft) 30 m (100 ft) (Burst: 40 m; 134 ft) 76 m (250 ft) (Burst: 112 m; 368 ft)	7 to 30 psi; 0.5 to 2 bar
Accuracy⁴	±0.1% full scale (FS) typical ±0.3% FS max.	±0.1% FS typical ±0.3% FS max.
Resolution	±0.01% FS or better	±0.01% FS or better
Units of measure	Pressure: psi, kPa, bar, mbar, mmHg Level: in., ft, mm, cm, m	Pressure: psi, kPa, bar, mbar, mmHg, inHg
Temperature Sensor	Silicon	Silicon
Accuracy	±0.3° C	±0.3° C
Resolution	0.01° C or better	0.01° C or better
Units of measure	Celsius or Fahrenheit	Celsius or Fahrenheit
Warranty	2 years	2 years
Notes	¹ Temperature range for non-freezing liquids. ² Typical battery life when used within the factory-calibrated temperature range. ³ 1 data record = date/time plus 2 parameters logged (no wrapping) from device within the factory-calibrated temperature range. ⁴ Across factory-calibrated pressure and temperature ranges. Delrin is a registered trademark of E.I. du Pont de Nemours & Co. Specifications are subject to change without notice.	

Rugged BaroTROLL® Data Logger

Use the titanium Rugged BaroTROLL with either a Rugged TROLL 100 or 200 Data Logger. Win-Situ® Baro Merge® Software simplifies post-correction of water level data for barometric pressure changes.

Rugged TROLL® 200 Cable

Access real-time data by using Rugged TROLL 200 Cable with a Rugged TROLL 200 or a Rugged BaroTROLL. Use a Cable Suspension Kit to anchor the cable in place. Available configurations:

- Modbus/RS485 stripped-and-tinned cable or SDI-12 stripped-and-tinned cable—Use with PLC, telemetry system, or logger.
- Modbus/RS485 top-of-well cable—Use with Rugged TROLL Com Device and a RuggedReader® Handheld PC or a PC.

Jacket options	TPU (thermoplastic polyurethane)
Conductors	4 conductors, 24 AWG, polypropylene insulation
Diameter	Cable: 5.1 mm (0.200 in.) Connector: 26.1 mm (1.03 in.)
Cable lengths	Modbus/RS485: Customizable up to 300 m (1,000 ft) SDI-12: Standard lengths up to 60 m (200 ft)
Minimum bend radius	5X cable diameter
Break strength	68 kg (150 lbs)

Rugged TROLL® Com Communication Device

Use the Rugged TROLL Com Device for communication between a cabled Rugged TROLL 200 or a cabled Rugged BaroTROLL and a RuggedReader Handheld PC or a laptop/PC.

Operating temp. range	0-50° C (32-122° F)
Storage temp. range	-40-80° C (-40-176° F)
Materials	Delrin, rubber, copper pins
Environmental rating	IP67 with battery cover closed
Dimensions (LxWxH)	8.9 x 2.9 x 4.8 cm (3.5 x 1.14 x 1.88 in.)
Input connection	Modbus/RS485
Output connection	Available with either USB or RS232
Power source	9V alkaline battery, user-replaceable
Cable	Black polyurethane, 91 cm (3 ft) long

Rugged TROLL® Docking Station

Use the docking station to program and download data from a Rugged TROLL 100 or 200 or from a Rugged BaroTROLL. The docking station is available with either a USB or RS232 communication interface. USB allows fast data transfer to a PC. Use the RS232 version with a laptop/PC or a RuggedReader Handheld PC.

Call to purchase—www.in-situ.com

221 East Lincoln Avenue, Fort Collins, Colorado, U.S.A. 80524
 1-800-446-7488 (toll-free in U.S.A. and Canada)
 1-970-498-1500 (U.S.A. and international)
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Cellular Network Telemetry Systems

General	Tube 300R	Tube 300S	Cube 300R	Cube 300S
Operating ranges	Temp: -20-70° C (-4-158° F) Humidity: 95% max. n.c.	Temp: -20-70° C (-4-158° F) Humidity: 95% max. n.c.	Temp: -20-70° C (-4-158° F) Humidity: 95% max. n.c.	Temp: -20-70° C (-4-158° F) Humidity: 95% max. n.c.
Diameter, maximum	Tube: 5 cm (1.97 in.) Top cap: 5.2 cm (2.05 in.)	Tube: 7 cm (2.75 in.) Top cap: 7.5 cm (2.95 in.) (with solar panel)	NA	NA
Dimensions	Length: 48 cm (18.9 in.)	Length: 48 cm (18.9 in.)	20 x 18 x 8.5 cm (7.87 x 7.1 x 3.35 in.)	36 x 24 x 13 cm (14.2 x 9.4 x 5.1 in.)
Weight with battery	1730 g (3.81 lbs)	1670 g (3.68 lbs)	1345 g (2.965 lbs)	3100 g (6.83 lbs)
Materials	Stainless steel	Methacrylate, 5 mm thick	GW PLAST 75	GW PLAST 75
 RATINGS	IP68 (cannot operate submerged)	IP65	IP65	IP65
Power Internal battery	Battery Lithium 10.8V / 19000 mAh	Solar panels integrated NiCd 7.2V / 1400 mAh	Battery Lithium 10.8V / 19000 mAh	Solar panels integrated NiCd 7.2V / 1400 mAh
Connectors	1 twist-lock connector or 1 Rugged TROLL connector	1 twist-lock connector or 1 Rugged TROLL connector	5 twist-lock connectors or 5 Rugged TROLL connectors	5 twist-lock connectors or 5 Rugged TROLL connectors
Operation time	Up to 5 years when logging every 10 min. and uploading data 1/day	Solar panel power: Unlimited, depending on sunlight exposure and programmed activities	Up to 5 years when logging every 10 min. and uploading data 1/day	Solar panel power: Unlimited, depending on sunlight exposure and programmed activities
Common Specs				
Instrument compatibility	Aqua TROLL® 100/200 Data Loggers; Aqua TROLL 400 Multiparameter Instrument; BaroTROLL® Data Logger; Level TROLL 400/500/700/700H Data Loggers; RDO PRO-X Probe; Rugged BaroTROLL Data Logger; Rugged TROLL 200 Data Logger; TROLL 9500 Multiparameter Instrument			
Communication Antenna	GSM four band—850, 900, 1800, 1900 MHz (capable of GPRS, SMS, email, and FTP); 2G or 3G available SMA connector with stud antenna or optional external antenna for Tube 300R			
Data access/storage Data access Data storage Data format	Via email or FTP; via cable; and real-time via GSM/GPRS direct call SD Flash memory, 512 MB (not replaceable) CSV file			
Programming Programming mode Operation mode	Through ANT tool communication software, via cable, or remotely via landline or GSM modem Through communication software tool via direct connection to a PC or remotely through GSM modem or landline modem. 1. Up to 8 programmable events/day; data transmission; or SMS transmission 2. Automatic data logging (reading interval: 1 minute to 24 hours) 3. Alarm transmission (SMS) 4. Data logging and batch transmission of stored data. Connect up to 5 probes and log all available (includes data from internal barometric pressure sensor).			
Interfaces Serial interfaces	RS232 or RS485 software selectable (with automatic RS232 switching when a PC connection is detected)			
Alarm capability Capacity Sources* SMS limits	The unit can generate an alarm if tilted or disconnected; if exceeds critical temperature values or parameters threshold values; or if battery levels reach critical. Via SMS; 2 recipients Up to 8 alarm sources Can be programmed			
Real-time clock/calendar	Built in			
Sensors	Built-in barometric pressure sensor included with non-vented systems, which automates barometric pressure compensation for non-vented water level sensors. Built-in temperature sensor			
Warranty	1 year			
Notes	* Refer to Alarms section in manual. Alarm sources: reset, temperature, tilt sensor, data send failure, low battery, probe reading out of range, tamper, log memory full or error, and probe reading error Specifications subject to change without notice			



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1-800-446-7488 (toll-free in U.S.A. and Canada)

1-970-498-1500 (U.S.A. and international)

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MONITORING WELL AGREEMENT
Post Oak Savannah Groundwater Conservation District

THE STATE OF TEXAS

COUNTY OF _____

PARTIES TO AGREEMENT

Grantor:

Grantor's Mailing Address:

Grantee: Post Oak Savannah Groundwater Conservation District (POSGCD or District)

Grantee's Mailing Address: P.O. Box 92, Milano, Texas 76566

AGREEMENT DESCRIPTION:

- I. Date of Commencement.** The agreement between the Grantor and POSGCD ("Agreement") is effective as of _____, 20__.
- II. Consideration.** TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by Grantor. This Agreement shall not be filed of record in _____ County, Texas (the "County").
- III. Use and Purpose of Well.** The Grantor will provide POSGCD with the use of a Grantor water well which is appropriately registered and/or permitted by the District ("Well") and the well site associated with the Well located as set forth in paragraph IV below. POSGCD will use the well for the purpose of monitoring the groundwater level for inclusion in POSGCD's groundwater monitoring program ("Program"), the collection of water quality samples, and other studies of groundwater that the two parties may agree upon in the future. Monitoring wells are used to establish historic groundwater information. Therefore, POSGCD hopes Grantor and POSGCD will develop a long-term relationship for the better management of the groundwater resources of POSGCD through the use of the Well by POSGCD. POSGCD realizes this Agreement does not convey an interest in land and is limited to agreement that POSGCD may use the Well and Well site as set forth in this Agreement, and that future conditions can arise that may require early termination of this agreement or modifications to the data collection process.

IV. Location of Well and Grantor Property. The Well is located _____ on property owned by or under the control of Grantor ("Grantor Property"). The Well is known as _____. The Well was drilled in _____ by _____ to a depth of _____ feet. When used herein, the word "Property" means and includes the land on which the Well referenced and described herein is located.

V. Regulatory Compliance. POSGCD will comply at all times, at its sole cost, with all applicable federal, state and local laws, rules, regulations and standards, including POSGCD's rules, in connection with its activities hereunder, including, without limitation, the use, operation, maintenance and repair of POSGCD's equipment and appurtenances.

VI. Expenses. POSGCD shall pay all costs associated with the installation, operation and maintenance of the equipment used in the Program. These costs may include the installation of a water level monitoring probe and any mobile radio or telephone equipment (telemetry) used to relay the water level information to POSGCD, and the costs for installation of the telemetry equipment and service. POSGCD shall pay all costs associated with the monthly operations expense of the water monitoring equipment, telemetry equipment and service.

VII. Description of Water Level Observation Well Program. POSGCD may manually take water level measurements periodically using appropriate equipment, or may install a monitoring probe to be placed in the well to collect data. If a probe is placed in the well, it will be below the static water level with a cable that will run from the probe to the surface. The probe will measure and store data on water level changes. POSGCD personnel will download these readings at appropriate times either at the well site or via equipment installed at the well site by POSGCD which transmits the information to POSGCD. POSGCD personnel may collect water samples from the Well for water quality analysis, and conduct other studies mutually agreeable to the parties which further the knowledge of groundwater conditions in the area.

VIII. Termination. This Agreement shall be and remain in full force and effect until such time as it is terminated by written notice given by Grantor or POSGCD, or their respective grantees and successors, as provided in this Section VIII. Upon termination, the terms, provisions and conditions hereof that provide POSGCD will be responsible for all claims and causes of action or require performance by POSGCD upon or after termination, shall remain in full force and effect. Grantor may terminate this Agreement in the event POSGCD defaults in the performance of its obligations pursuant to this Agreement and does not remedy or correct such default within sixty (60) days after written notice of default being given to POSGCD by Grantor. POSGCD may terminate this Agreement at any time after the date of execution of this Agreement by giving Grantor one hundred twenty (120) days written notice of such termination. The parties further agree this agreement may be terminated at any time by mutual written agreement of the parties. In the event of such termination, Grantor may request POSGCD to properly plug the Well or Grantor may regain use of the Well if allowed to do so by applicable laws and regulations, including the rules of POSGCD with respect to the operation of or production from the Well. All equipment belonging to or installed by POSGCD at the site shall belong to POSGCD and, in the event of termination of this Agreement, Grantor will allow POSGCD reasonable time to remove any such equipment from the site. If this Agreement is terminated, POSGCD agrees to restore the Well site to the original condition to the extent practicable.

IX. Terms and Conditions. Grantor grants and conveys to POSGCD the right to use the Well and related facilities, such as electric utility and telephone lines and roadways, on Grantor's Property to obtain groundwater resource data and information.

POSGCD shall not interfere with Grantor's use and occupancy of the Property or Well.

POSGCD shall have the right of pedestrian and vehicular ingress and egress over, across and upon Grantor's Property for the purpose of operating, repairing, inspecting, maintaining, replacing, and removing equipment in the Well, the roadways needed to provide access to the site of the Well, and the electric and telephone lines needed to provide the telecommunications and electrical services to the site of the Well, provided Grantor shall have the right to approve the location of any roadways and utility lines, and any costs for such roadways or utility lines shall be at the sole expense of POSGCD. Grantor shall not unreasonably withhold approval of such roadways, utility lines, or such structures as may be necessary to achieve POSGCD's goals as stated in this Agreement. POSGCD shall, however, to the fullest extent practical limit its vehicle traffic to existing roadways/paths.

POSGCD will restore the surface of any roadway or ground damaged, if any, during the process of equipping the Well or providing utility service to the Well site to the extent reasonably practicable. POSGCD shall be responsible for any damages, claims or causes of action caused by or resulting from actions by, or failure to act by, POSGCD, its agents, contractors, and employees.

Grantor reserves the right to build fences that may cross roadways or utility lines related to the Well site but POSGCD shall not be denied access to the Well site. POSGCD may install locks on any fences or gates POSGCD constructs to protect the Well site but Grantor shall be given keys or combinations for any such locks and Grantor shall have full access to, and may not be denied access to, the Well or Well site.

Grantor agrees that if Grantor needs to drill a water well, install a septic tank, septic tank drain field or any other activity that could disrupt the groundwater data collection from the Well, Grantor shall make diligent effort to avoid unreasonable interference with the Program or studies, and will notify POSGCD in advance of any such project in an effort to find a location agreeable to both parties which will minimize any interference with POSGCD's Program or studies.

POSGCD further agrees as follows: (a) the Well shall not produce any noticeable noise except during the time of its development; (b) POSGCD shall make available to the Grantor at no cost a copy of all logs obtained from the Well; (c) POSGCD shall make available to the Grantor data gathered from the Well; and (d) the Well shall be used by POSGCD solely for the purpose of monitoring groundwater quality and/or quantity, and any other purposes which advance the understanding of local groundwater conditions that are mutually agreed upon in writing by the parties, and POSGCD shall not use the Well for any other private or commercial purpose without the written consent of Grantor.

The rights granted under this Agreement are subject to all encumbrances of record in the county public records or which are visible and on the ground in a manner that a corrected survey would reveal. POSGCD takes the right to use and occupy the Property for the purposes herein set forth, and POSGCD takes the Property, AS IS, and without any obligation of Grantor, either expressed or implied, regarding the condition of the Property.

The grant of rights under this Agreement and all of the terms, provisions and obligations hereof shall be inure to the benefit of and be binding upon Grantor and POSGCD and their respective administrators and

successors whether or not the Agreement is referenced or described in any conveyance of all or such portion of the Property by Grantor. POSGCD's rights hereunder may also be exercised, at POSGCD's option, by POSGCD's assigns, lessees, contractors, or agents. The grant of rights under this Agreement shall not be assigned by POSGCD without the prior written consent of the Grantor.

Grantor expressly reserves for itself, its successors or assigns, all right, title and interest in and to the Property and Well, grants the POSGCD only the rights to use the Property as set forth herein, and further agrees Grantor intends to use the Property in a manner that will not interfere with the exercise by POSGCD of the rights granted under this Agreement. Further, as provided above, Grantor specifically reserves the right to terminate this Agreement.

This Agreement shall be construed under and in accordance with the laws of the State of Texas, and that all obligations of the parties created under this Agreement shall be performable in the County.

No amendment, modification, or alteration of the terms of this Agreement shall be binding unless it is in writing, dated subsequent to the date of this Agreement, and duly executed by the parties to this Agreement.

In the event one or more provisions contained in this Agreement shall be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

This Agreement may be executed in duplicate originals on the respective dates of acknowledgment set forth below and shall be effective as of the latest date of acknowledgment set forth below.

GRANTOR:

_____ Date

POST OAK SAVANNAH GCD:

_____ Nathan Ausley, President

_____ Date

_____ Gary Westbrook, General Manager

_____ Date

APPLICATION OF LANDOWNER
TO CONDITION AN ABANDONED WELL
FOR FRESH WATER PRODUCTION

1. Field Name (as per RRC Records or Wildcat): _____ 2. Field No.: _____ 3. RRC District No.: _____

4. Operator Name (as shown on P-5): _____ 5. Operator P-5 No.: _____ 6. County: _____

7. Lease Name: _____ 8. RRC Lease/Gas ID No.: _____ 9. API No.: _____ 10. Well No.: _____
42-

11. Location (Section, Block, and Survey): _____

12. If the Operator has changed within the last 60 days, provide the name, the P-5 No., and the address of the former Operator: _____

13. If the well has been worked over, provide the former Field name (and reservoir name) and number: _____

14. Is this an Abandoned Producer or a Dry Hole? YES NO If this is a Dry Hole, or if the Operator did not file current completion data, ATTACH casing and cement data for casings penetrating groundwater depths.

15. Type of Electric or other Log run: _____ 16. Completion date of the well: _____

17. Proposed Plug-Back Depth of well for fresh water production (ft): _____ 18. Base of Usable Quality Water (ft.): _____ 19. Date of TCEQ letter: _____
TCEQ File No.: SC-

20. FOR COMPLETION BY LANDOWNER: *Information concerning groundwater conservation districts may be found at www.texasgroundwater.org.*
 I have permitted the well as a water well with the _____ Groundwater Conservation District.
 I have registered the water well with the _____ Groundwater Conservation District.
 The _____ Groundwater Conservation District does not require that the water well be permitted or registered.
 There is no groundwater conservation district for the area in which the well is located.

The undersigned Operator and Landowner hereby make application for the Operator to be authorized to plug the above well in such a manner that the well bore be left open to the above depth so that the Landowner may condition and equip such well bore to that depth for production of fresh water.

The undersigned Landowner further obligates himself, his heirs, successors, and assignees, as a condition to the Commission's approval of this application, to complete the plugging of the well if and when it is abandoned as a fresh water well, or when, because of the condition of the well is found to constitute a menace to any oil, gas, or fresh water strata in that area, such plugging is ordered by the Commission.

Under §89.011, Tex. Nat. Res. Code, the duty to properly plug the well ends only when the well has been properly plugged in accordance with Commission requirements up to the base of usable quality water stratum; the Commission has approved the application to condition the well for usable quality water production operations; and the landowner has registered the well with, or has obtained a permit for the well from, the groundwater conservation district, if applicable.

The authority to complete this well in the manner prescribed shall not be construed as authority for any party to produce fresh water from the well.

CERTIFICATION

I declare under penalties prescribed in §91.143, Tex. Nat. Res. Code, that I am authorized to make this report, that this report was prepared by me or under my supervision and direction, and that data and facts stated therein are true, correct, and complete, to the best of my knowledge.

<u>LANDOWNER</u>	<u>OPERATOR</u>
Date: _____	Date: _____
Signature of Landowner: _____	Signature of Operator or Authorized Representative: _____
Name of Landowner: (type or print) _____	Name of Person and Title: (type or print) _____
Street Address or P. O. Box: _____	Street Address or P. O. Box: _____
City, State, Zip Code: _____	City, State, Zip Code: _____
Telephone () _____	Telephone () _____

FILING INSTRUCTIONS

1. The completed **original** of this form must be recorded in the county in which the well is located. SEE the back of this form.
2. Form P-13 showing the recording data, along with the Notice of Intent to Plug and Abandon (Form W-3A) must be filed in the appropriate Commission District Office, along with a copy of the TNRCC/TCEQ Surface Casing MC 151 letter (or other acceptable equivalent letter).
3. After plugging back the well, the Operator shall file one copy of the Commission-approved Form P-13 with the original and one copy of Form W-3 (Plugging Record), in the appropriate Commission District Office.

RAILROAD COMMISSION APPROVAL: _____ DATE OF APPROVAL: _____
(Signature of RRC Representative)

DISTRIBUTION:
The Commission will mail a copy of the approved form to the: (1) Landowner; (2) Operator; (3) Texas Commission on Environmental Quality (TCEQ); (4) Ground Water Conservation District, if applicable; (5) Texas Department of Licensing and Regulation (TDLR); and (5) Commission District Office.

THE STATE OF TEXAS

COUNTY OF _____

BEFORE ME, the acknowledged authority, on this day personally appeared _____, referred to as landowner in the instrument attached hereto, and being by me duly sworn acknowledged to me that he or she executed said instrument for the purposes and consideration therein expressed.

Notary Public in and for

_____ County, Texas

Recorded this _____ day of _____, _____.

Clerk

FOR USE OF COUNTY CLERK

RECORDING DATA: