Permit Number: NHUPP-009

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

DOC#08727

NON-HISTORIC USE PRODUCTION PERMIT

THIS CERTIFIES THAT: **Vaquillas Cattle Company, Ltd.**
HCR 1 Box 5
Mirando City, Texas 78369

(the "Permittee"), has applied for a Non-Historic Use Production Permit to withdraw and place to beneficial use groundwater from within the District, and that the Board of Directors of the Culberson County Groundwater Conservation District ("District"), pursuant to the Rules of the District ("District Rules"), has APPROVED the application as follows:

1 Permit Category

This permit is a **Non-Historic Use Production Permit** ("NHUPP").

2 Permit Term

The term of this permit is ten years from the date of issuance.

3 Groundwater Source

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

4 Annual Groundwater Withdrawal Amounts

4.1 Permittee is authorized to withdraw groundwater from the Aquifer for beneficial, nonwasteful use in an amount not to exceed 125 acre-feet per calendar year.

4.2 The amount of groundwater authorized in Section 4.1 was based on an evaluation of the Permittee's estimate of the amount of groundwater required by the Permittee for beneficial use within the District's boundaries, and the amount of groundwater, 125 acre-feet, available annually for production from the Aquifer under NHUPPs as specified in the District's Resolution and Order No. 2014-001, dated September 4, 2014.

4.3 The amount of groundwater authorized in Section 4.1 is subject to proportional adjustment pursuant to Chapter 5 of the District Rules and to cancellation or reduction pursuant to Section 5.103(f) of the District Rules.

5 Purpose of Use

Permittee may use Aquifer groundwater only for industrial purposes.

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

Groundwater may be withdrawn from the Aquifer only from the well(s) located at each of the location(s) and with a maximum rate of withdrawal(s) (flow rate), as follows:

CULBERSON COUNTY GROUNDWATER CONSERVATION DISTRICT
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Name	Location (latitude/longitude)	Maximum Flow Rate (gpm)
#1	31.143057, -104.707778	1,200
#7	31.11315, -104.676383	1,000
#9	31.116433, -104.6681	1,000

7 Measurement of Amount of Groundwater Withdrawn

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

8 Location of Delivery and Place of Use

Groundwater authorized for production in Section 4.1 must be delivered to the industrial user and must be beneficially used within the District's boundaries.

9 Well Construction, Operation, Maintenance, Closure

The well(s) identified in this permit shall be installed, equipped, operated, maintained, plugged, capped, or closed in accordance with the District Rules and all other applicable federal, state, and local laws. A copy of a state plugging report shall be submitted to the District within 60 days after capping or plugging any well.

10 Water Conservation

Groundwater authorized by this permit to be produced is required to be efficiently withdrawn and used in compliance with the District Rules and the District's management plan, and, if applicable, Permittee's water conservation plan as approved by the District.

11 Conveyance to Place of Use

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

12 Meters; Alternative Measuring Method

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

13 Reports

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

14 Fees

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

15 Interruption, Suspension, or Other Limitations Due to Drought

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

16 Other Water Permits or Water Supply Contracts

Permittee shall only withdraw groundwater pursuant to this permit if the Permittee has made all reasonable efforts to fully use all water available to the Permittee pursuant to any water supply permits and/or water supply contracts.

17 Groundwater Management Plan

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

18 Water Quality

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

19 Transfers and Amendments

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

20 Permit Review, Renewal or Extension Conditions

Permittee is subject to any review, renewal, or extension conditions stated in the permit or the District Rules. This permit is subject to cancellation in accordance with Section 5.217 of the District Rules.

21 Change of Name, Address, or Telephone Number

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

22 Inspections by District

Any authorized officer, employee, agent, or representative of the District shall have the right at all reasonable times to enter upon lands upon which a well may be located within the boundaries of the District, including the well(s) identified in Section 6 of this permit, for the purpose of inspecting or testing such wells, meters, pumps, and the power units of a well or wells, collecting water samples, and making any other reasonable and necessary

inspections and tests that may be required or necessary for the formulation or the enforcement of the permits, rules, or orders of the District. Permittee has a duty to ensure that the well site is accessible to District representatives for inspection and to cooperate fully in any reasonable inspection of the well(s) and well site by District representatives.

23 Additional Conditions

23.1 This permit is issued subject to the requirements of: (1) Chapter 8816, Texas Special District Local Laws Code; (2) Chapter 36, Texas Water Code; and (3) the District Rules.

23.2 This permit is subject to the standard permit conditions set forth in Section 5.216 of the District Rules.

24 Enforcement

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

25 Continuing Jurisdiction of District

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

26 Permit Recordation

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

27 References to Law

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

28 Other Matters Denied

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

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

THIS PERMIT IS ISSUED, EXECUTED THIS January 29, 2020 by the Board of Directors of the Culberson County Groundwater Conservation District.

VR Cottrell
Vance Cottrell
President, Board of Directors

ATTEST:

Cruz Parada
Secretary, Board of Directors

ACKNOWLEDGMENT

STATE OF TEXAS)

COUNTY OF CULBERSON)

ON BEHALF OF THE DISTRICT, THIS PERMIT WAS ACKNOWLEDGED before me on January 30, 2020, by Vance Cottrell, President, Board of Directors, Culberson County Groundwater Conservation District, a groundwater conservation district created pursuant to Article XVI, Section 59, Texas Constitution.

Summer R. Webb
Notary Public in and for the State of Texas

SUMMER R. WEBB
NOTARY PUBLIC - STATE OF TEXAS
ID# 131585239
COMM. EXP. 05-29-2022

00000008727

FILED FOR RECORD
AT 3:10 **O'CLOCK** P. **M.**

ON THE 30th **DAY OF** January

A.D., 20 20.

Linda McDonald
COUNTY AND DISTRICT CLERK
CULBERSON COUNTY, TEXAS
BY _____ **DEPUTY**

STATE OF TEXAS
COUNTY OF CULBERSON
I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume 02 OPR and Page 170 - 174 of the Records of Culberson County, Texas.

COUNTY AND DISTRICT CLERK CULBERSON COUNTY, TEXAS