SOUTHERN TRINITY GROUNDWATER CONSERVATION DISTRICT COUNTY OF MCLENNAN, STATE OF TEXAS

HISTORIC USE PRODUCTION PERMIT

THIS CERTIFIES THAT:

Dannis E. Russell

12633 Gholson Road Waco, Texas 76705 Phone: 254-829-1489

(the "Permittee"), has applied for an Historic Use Production Permit to withdraw and place to beneficial use groundwater from within the District, and that the Board of Directors of the Southern Trinity Groundwater Conservation District ("District") has APPROVED the application as follows:

1 **Permit Category**

This permit is a **Historic Use Production Permit**.

2 **Permit Term**

The term of this permit is perpetual.

3 **Groundwater Source**

The source of groundwater is the Brazos River Alluvium Aquifer.

Annual Groundwater Withdrawal Amounts 4

Permittee may withdraw groundwater from the Brazos River Alluvium Aquifer for beneficial, nonwasteful use in a manner not to exceed the following volume: 19.8864 acre-feet per calendar year. This groundwater withdrawal amount has been calculated pursuant to Section 5.211 of the District's rules. It may be subject to proportional adjustment pursuant to Chapter 5, Subchapter B of the District's rules, as may be amended.

Purpose of Use 5

Permittee may use Brazos River Alluvium Aquifer groundwater only for agricultural use.

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

Groundwater may only be withdrawn from the aquifer from a well(s) located at each of the location(s) and with a maximum rate of withdrawal(s) (flow rate) as follows:

Name	Location (latitude/longitude)	Maximum Flow Rate (gpm)
Well # 1	N31D 41M 45S / W97D 12M 49S	50
Well # 2	N31D 41M 46S / W97D 12M 47S	50
Well #3	N31D 41M 42S / W97D 12M 44S	50
Well # 4	N31D 41M 42S / W97D 12M 40S	50
Well # 5	N31D 41M 17S / W97D 12M 54S	50

SOUTHERN TRINITY GROUNDWATER CONSERVATION DISTRICT COUNTY OF MCLENNAN, STATE OF TEXAS

7 Measurement of Amount of Groundwater Withdrawn

Permittee may only withdraw groundwater from a well that has an operating flow meter that meets the requirements of Chapter 8 of the District's rules or the Permittee may determine groundwater use based on the manufacturer's rated flow of the pump and estimated hours of pumping per year for each well.

8 Place of Use

Permittee may beneficially use groundwater only on the following tracts on the Permittee's irrigated land. A description of the irrigated lands is as follows:

The tracts of land more fully described in Warranty Deed with date October 28, 2002 as recorded with the Clerk in File No. 2002005254, Warranty Deed with date August 20, 1997 as recorded with the Clerk in File No. 9722556, and Warranty Deed with date August 24, 1982 as recorded with the Clerk in Volume 1131, Page 291, Official Public Records, McLennan County, Texas.

Except as provided by 5.401(b) of the District's rules, as may be amended, if the place of use is not within the District's boundaries, Permittee must obtain a groundwater exportation permit from the District prior to the withdrawal of groundwater under the permit.

9 Well Construction, Operation, Maintenance, Closure

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

10 Water Conservation

Withdrawals of groundwater are required to be efficiently withdrawn and used in compliance with the District's rules and the District's water conservation plan, as may be amended, and Permittee's plan as approved by the District, as may be applicable.

11 Conveyance to Place of Use

Water authorized by this permit to be produced must be conveyed to the place of use in a manner to prevent evaporation, channel loss by percolation, or waste. Water conveyed greater than a distance of one-half mile from the wellhead where produced must be conveyed through a pipeline.

12 Meters; Alternative Measuring Method

Permittee may only withdraw groundwater from a well that has an operating flow meter that meets the requirements of Chapter 8 of the District's rules or the Permittee may use the alternative measuring method of determining groundwater use based on the

SOUTHERN TRINITY GROUNDWATER CONSERVATION DISTRICT COUNTY OF MCLENNAN, STATE OF TEXAS

manufacturer's rated flow of the pump and estimated hours of pumping per year for each well.

13 Reports

Permittee shall timely file all applicable reports with the District on forms prescribed by the District as required by the District's rules, as may be amended, 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's rules and the District's management plan and Permittee's plan approved by the District, as applicable.

16 Groundwater Management Plan

Permittee shall withdraw and use groundwater only in accordance with the District's approved groundwater management plan, as may be amended.

17 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.

18 Transfers and Amendments

Permittee may transfer or amend this permit only in compliance with the District's rules.

19 Permit Review, Renewal or Extension Conditions

Permittee is subject to any review, renewal or extension conditions stated in the permit or the District's rules.

20 Change of Name, Address or Telephone Number

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

21 Inspections by District

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

SOUTHERN TRINITY GROUNDWATER CONSERVATION DISTRICT COUNTY OF MCLENNAN, STATE OF TEXAS

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.

22 Additional Conditions

This permit is issued subject to the requirements of: (1) Chapter 8821, Texas Special District Local Laws Code; (2) Chapter 36, Texas Water Code, as may be amended; and (3) the District's Rules, as may be amended.

23 Enforcement

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

24 Continuing Jurisdiction of District

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

25 Permit Recordation

Within 30 days of the date of issuance of this approved permit from the District, Permittee shall record this permit with the County Clerk of every county in which the well(s) or place of use are located and provide a copy of the recorded permit to the District.

26 References to Law

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

27 Other Matters Denied

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

SOUTHERN TRINITY GROUNDWATER CONSERVATION DISTRICT COUNTY OF MCLENNAN, STATE OF TEXAS

THIS PERMIT IS ISSUED, EXECUTED THIS 23rd day of December, 2010, by the Board of Directors of the Southern Trinity Groundwater Conservation District.

Rodney Kroll,

President, Board of Directors

ATTEST:

Glen Thurman

Secretary, Board of Directors

ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF MCLENNAN

ON BEHALF OF THE DISTRICT, THIS PERMIT WAS ACKNOWLEDGED before me on December 23, 2010, by Rodney Kroll, President, Board of Directors, Southern Trinity Groundwater Conservation District, a groundwater conservation district created pursuant to Article XVI, Section 59, Texas Constitution.

Notary Public in and for the State of Texas

AFTER RECORDING RETURN TO:

Tricia Law, General Manager Southern Trinity Groundwater Conservation District P. O. Box 2205 420 North 6th Street Waco, Texas 76703

