

**SOAH DOCKET NOS. 965-23-21218 AND 965-23-21219
POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT**

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| <p>APPLICATION OF SLR PROPERTY I, LP FOR A NEW 9,000 ACRE-FOOT PER YEAR SIMSBORO AND HOOPER DRILLING AND OPERATING PERMIT</p> <p>APPLICATION OF SLR PROPERTY I, LP FOR A NEW 15,000 ACRE-FOOT PER YEAR SIMSBORO OPERATING PERMIT</p> | § § § § § § § § § § | <p>BEFORE THE STATE OFFICE</p> <p>OF ADMINISTRATIVE</p> <p>HEARINGS</p> |
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Filed 9th day of Aug.
 in 2023, At 1:52 PM.
JODI MORGAN
 County Clerk, Milam County, Texas
 By Melinda Contreras
 Deputy

**POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT'S
NOTICE OF TWO PRELIMINARY HEARINGS**

The State of Office of Administrative Hearings (“SOAH”) has issued an Initial Order setting a preliminary hearings on the two applications made by SLR Property I, LP (“SLR” or “Applicant”) to the Post Oak Savannah Groundwater Conservation District (“POSGCD” or “District”) for:

- A new 9,000 acre-foot per year (af/yr) Simsboro and Hooper Drilling and Operating Permit to authorize SLR to drill and operate up to a total of 60 new wells, at 30 defined wells sites in Milam County (see tables below for proposed well locations and production capacities) for municipal, industrial, manufacturing, and commercial purposes anywhere within Milam and Burleson Counties; and
- A new 15,000 (af/yr) Simsboro Operating Permit to change the authorized use of wells currently authorized by SLR’s existing Historic Use Permit 0330 for industrial use on the 25,000 acres of SLR’s Sandow Lakes Ranch property that are located in Milam County to use for municipal, industrial, manufacturing, and commercial purposes anywhere within Milam and Burleson Counties

The legal authorities under which the preliminary hearing and hearing on the merits are to be held are:

- Texas Government Code, Chapter 2001
- Texas Water Code, Chapter 36, Subchapters A, D & M

- 1 Texas Administrative Code, Chapter 155
- Rules of the POSGCD (versions adopted July 13, 2021, May 10, 2022, and April 11, 2023)

The laws and rules involved are:

- Texas Water Code, Chapter 36, Subchapter D
- Texas Government Code, Chapter 2001, Subchapters C, D and F
- 1 Texas Administrative Code, Chapter 155
- Rules of the POSGCD (versions adopted July 13, 2021, May 10, 2022, and April 11, 2023) Sections 4 through 7 and 9 through 14.

APPLICATIONS.

SLR, whose address is 2825 Oak Lawn Avenue #191577, Dallas, TX, 75219 submitted the two above-referenced applications on October 14, 2022 to the District. A description of each application follows:

New 9,000 af/yr Simsboro & Hooper Drilling and Operating Permit SOAH Docket No. 965-23-21218

SLR requests a new Drilling and Operating Permit to produce up to 9,000 af/yr from the Simsboro formation, and up to 4,500 af/yr from the Hooper formation, provided that the total production in any one year may not exceed 9,000 acre-feet. SLR requests authorization to drill and operate up to a total of 60 new wells (up to 30 new Simsboro wells and up to 30 new Hooper wells), at 30 defined well sites. The locations of the 30 proposed new Simsboro wells (identified as OP9-1 through OP9-30) and the 30 proposed new Hooper wells (identified as OPH9-1 through OPH9-30) are shown in Tables 1 and 2 of this notice. SLR requests authorization to drill more than one Simsboro well at a given well site, and/or more than one Hooper well at a given well site, depending upon conditions found at each well site. The total combined production capacity of all wells constructed at a given well site that are screened into the same formation will be less than or equal to the maximum instantaneous pumping rate defined for production from that formation at that well site.

SLR requests that the water produced under the new 9,000 af/yr Simsboro and Hooper Drilling and Operating Permit be used for municipal, industrial, manufacturing and commercial purposes anywhere within Milam and Burleson Counties.

New 15,000 af/yr Simsboro Operating Permit (to be used conjunction with SLR's 15,000 af/yr Historic Use Permit 0330)

SOAH Docket No. 965-23-21219

SLR seeks a new 15,000 af/yr Simsboro Operating Permit to be used in conjunction with SLR's 15,000 af/yr Simsboro Historic Use Permit No. 0330 ("Permit 0330"). for the next fifteen (15) years until Permit No. 0330 ends in 2038, and the remaining 25 years will be solely under the new Operating Permit. As noted in the application, SLR requests that upon issuance of the new 15,000 af/yr operating permit, the entire 15,000 af/yr will be assigned to the Permit 0330 and 0 af/yr per year will be assigned to the new Operating Permit. From time to time thereafter SLR will notify the District of the portion of the 15,000 af/yr assigned to the new Operating Permit and noting the remaining portion of the 15,000 af/yr that will remain assigned to the Permit 0330. Page 2 of 9 The amount assigned to the Permit 0330 may never be increased above the last amount assigned. Water produced under the new Operating Permit will be pumped from the Simsboro formation using the same 61 wells authorized under the Permit 0330. Table 3, included as part of this notice shows the locations of the 61 wells authorized under the Permit 0330. If an authorized well operating at the approved production capacity for water produced under the Permit 0330 does not meet current District property line setback or well spacing regulations for new wells, the District may approve a lower production capacity for water produced from that well under the new 15,000 af/yr Simsboro Operating Permit. Upon assignment of acre feet per year to the new 15,000 af/yr Simsboro Operating Permit and reduced from Permit 0330, SLR requests that the water produced under the new 15,000 af/yr Simsboro Operating Permit be authorized to be used for municipal, industrial, manufacturing, and commercial purposesuse anywhere within Milam and Burleson Counties.

After over six months of discussions, and resubmittals between Applicant and the General Manager, the General Manager determined on October 14, 2022, that the July 27, 2022

applications, together with such supplemental information provided on October 2, 2022, met all of the District's threshold requirements and were administratively complete.

PRELIMINARY HEARINGS; OPPORTUNITY FOR A CONTESTED CASE HEARING.

SOAH will conduct two preliminary hearings at the time and place below:

9:00 a.m. – September 6, 2023

State Office of Administrative Hearings

300 West 15th Street, Fifth Floor

Austin, Texas

At the preliminary hearings, the SOAH administrative law judge (“ALJ”) will address and discuss with the parties the following issues:

- Party status;
- procedural and discovery schedules;
- pending motions;
- hearings on the merits;
- issues to be addressed in these proceedings;
- referrals to mediation;
- adequacy of notice of these proceedings; and
- any other issues that will assist in the fair disposition of these cases.
- and any other matters as determined by the judge.

A mediator will be present at the preliminary hearings to discuss mediation, and will be available to conduct a mediation immediately after the preliminary hearings if the named parties are all amenable.

The two preliminary hearings will be conducted in accordance with the Chapter 2001, Texas Government Code; Chapter 36, Texas Water Code; the POSGCD Rules (versions adopted July 13, 2021, May 10, 2022, and April 11, 2023); and the procedural rules of SOAH, including 1 TAC Chapter 155.

The evidentiary hearing phase (“hearing on the merits”) of the proceedings, which will occur at a date to be determined by SOAH at or after the preliminary hearings, will be a legal proceeding similar to a civil trial in state district court. The hearing on the merits will be held unless all timely hearing requests have been withdrawn or denied.

POTENTIAL PARTIES.

If any party or potential party has a pending motion or other issue that will need to be addressed by the ALJ at the preliminary hearings, that motion or pleading shall be filed no later than August 30, 2023. To be a named party, you must have filed a timely and adequate request for hearing before the District and attend the SOAH preliminary hearing prepared to provide evidence to show you would be affected by the application in a way not common to the general public. Only persons named as parties may participate at the hearing.

In accordance with 1 Tex. Admin. Code § 155.401(a), Notice of Hearing, **Parties that are not represented by an attorney may obtain information regarding contested case hearings on the public website of the State Office of Administrative Hearings at www.soah.texas.gov, or in printed format upon request to SOAH.**

MAILING LIST.

You may ask to be placed on a mailing list to obtain additional information on these applications by sending a request to the Post Oak Savannah Groundwater Conservation District at the address below.

Public comments and requests must be submitted either electronically, or in writing to:

Mailing Address:

PO Box 92
Milano, Texas 76556

Physical Address:

310 East Avenue C
Milano, Texas 76556

Office Hours:

Monday – Friday

8:00 a.m. – 4:00 p.m.

Office: 512-455-9900

Fax: 512-455-9909

admin@POSGCD.org

Persons with disabilities who need special accommodations at the preliminary hearings should call the SOAH Docketing Department at 512-475-3445 at least one week prior to the hearing.

APPLICANT CONTACT INFORMATION

Further information may also be obtained from Applicant SLR at:

Mr. Alan Gardenhire

SLR Property I, LP

2825 Oak Lawn Ave #191577

Dallas, TX 75219

(512) 810-3584

alang@sandowlakesranch.com

**Table 1 - 30 proposed Simsboro wells for the
9,000 af/yr Simsboro and Hooper Drilling and Operating Permit**

| Well Designation | Longitude | Latitude | Proposed Production Capacity (gpm) | Well Location – Milam County Appraisal District Property ID |
|------------------|------------|-----------|------------------------------------|---|
| OP9-1 | -97.010413 | 30.618638 | 300 | 10354 |
| OP9-2 | -97.010247 | 30.614427 | 300 | 10354 |
| OP9-3 | -97.008625 | 30.610151 | 300 | 10354 |
| OP9-4 | -97.007737 | 30.602159 | 300 | 10354 |
| OP9-5 | -97.007957 | 30.595463 | 300 | 10354 |
| OP9-6 | -97.011542 | 30.594079 | 600 | 10354 |
| OP9-7 | -97.008049 | 30.590424 | 300 | 10354 |
| OP9-8 | -97.012425 | 30.589417 | 600 | 10354 |
| OP9-9 | -97.015438 | 30.571389 | 500 | 20519072 |
| OP9-10 | -97.032990 | 30.556130 | 600 | 20519037 |
| OP9-11 | -97.030037 | 30.553561 | 600 | 20519037 |
| OP9-12 | -97.022179 | 30.555194 | 600 | 20519037 |
| OP9-13 | -97.020848 | 30.552580 | 600 | 20519037 |
| OP9-14 | -97.020988 | 30.548801 | 600 | 20519037 |
| OP9-15 | -97.044111 | 30.532258 | 600 | 20519037 |
| OP9-16 | -97.047234 | 30.529537 | 500 | 20519037 |
| OP9-17 | -97.051644 | 30.523327 | 500 | 20519037 |
| OP9-18 | -97.058235 | 30.522266 | 500 | 20519037 |
| OP9-19 | -97.058101 | 30.534307 | 500 | 20519037 |
| OP9-20 | -97.066085 | 30.527880 | 500 | 20519037 |
| OP9-21 | -97.072843 | 30.528557 | 300 | 10354 |
| OP9-22 | -97.078356 | 30.531653 | 300 | 10354 |
| OP9-23 | -97.083917 | 30.533874 | 300 | 10354 |
| OP9-24 | -97.069096 | 30.513067 | 500 | 20519037 |
| OP9-25 | -97.076719 | 30.502442 | 500 | 20519037 |
| OP9-26 | -97.088866 | 30.496775 | 500 | 11598 |
| OP9-27 | -97.110438 | 30.483316 | 500 | 11598 |
| OP9-28 | -97.112249 | 30.482408 | 300 | 11598 |
| OP9-29 | -97.114002 | 30.481291 | 300 | 11598 |
| OP9-30 | -97.115993 | 30.480531 | 300 | 11598 |

Table 2
30 Proposed Hooper Wells for the
9,000 af/yr Simsboro and Hooper Drilling and Operating Permit

| Well Designation | Longitude | Latitude | Proposed Production Capacity (gpm) | Well Location – Milam County Appraisal District Property ID |
|------------------|------------|-----------|------------------------------------|---|
| OPH9-1 | -97.010469 | 30.618767 | 150 | 10354 |
| OPH9-2 | -97.010303 | 30.614555 | 150 | 10354 |
| OPH9-3 | -97.008680 | 30.610280 | 150 | 10354 |
| OPH9-4 | -97.007734 | 30.602297 | 150 | 10354 |
| OPH9-5 | -97.007954 | 30.595601 | 150 | 10354 |
| OPH9-6 | -97.011539 | 30.594217 | 300 | 10354 |
| OPH9-7 | -97.008046 | 30.590561 | 150 | 10354 |
| OPH9-8 | -97.012422 | 30.589555 | 300 | 10354 |
| OPH9-9 | -97.015404 | 30.571523 | 250 | 20519072 |
| OPH9-10 | -97.033043 | 30.556259 | 300 | 20519037 |
| OPH9-11 | -97.030091 | 30.553691 | 300 | 20519037 |
| OPH9-12 | -97.022232 | 30.555323 | 300 | 20519037 |
| OPH9-13 | -97.020902 | 30.552710 | 300 | 20519037 |
| OPH9-14 | -97.021042 | 30.548931 | 300 | 20519037 |
| OPH9-15 | -97.044261 | 30.532212 | 300 | 20519037 |
| OPH9-16 | -97.047383 | 30.529491 | 250 | 20519037 |
| OPH9-17 | -97.051793 | 30.523281 | 250 | 20519037 |
| OPH9-18 | -97.058384 | 30.522220 | 250 | 20519037 |
| OPH9-19 | -97.058251 | 30.534260 | 250 | 20519037 |
| OPH9-20 | -97.066225 | 30.527945 | 250 | 20519037 |
| OPH9-21 | -97.072983 | 30.528622 | 150 | 10354 |
| OPH9-22 | -97.078496 | 30.531718 | 150 | 10354 |
| OPH9-23 | -97.084057 | 30.533939 | 150 | 10354 |
| OPH9-24 | -97.069245 | 30.513020 | 250 | 20519037 |
| OPH9-25 | -97.076868 | 30.502395 | 250 | 20519037 |
| OPH9-26 | -97.088947 | 30.496657 | 250 | 11598 |
| OPH9-27 | -97.098057 | 30.487739 | 250 | 11598 |
| OPH9-28 | -97.110243 | 30.481677 | 150 | 11598 |
| OPH9-29 | -97.112887 | 30.480248 | 150 | 11598 |
| OPH9-30 | -97.115531 | 30.478818 | 150 | 11598 |

Table 3
61 Authorized Wells under Historic Use Permit No. 0330
for the 15,000 af/yr Simsboro Operating Permit to be Used in Conjunction with SLR's
Historic Use Permit

| Well Count | Well Name | Latitude | Longitude | Well Category* | Approved Production Capacity (gpm) |
|------------|-----------|-----------|------------|----------------|------------------------------------|
| 1 | 58-32-502 | 30.560556 | -97.072222 | DUAL HUP-OP | 500 |
| 2 | 58-32-503 | 30.561667 | -97.066112 | DUAL HUP-OP | 500 |
| 3 | 58-32-504 | 30.56083 | -97.06778 | HUP | 500 |
| 4 | 58-32-505 | 30.55942 | -97.06879 | HUP | 500 |
| 5 | A-9-2 | 30.55511 | -97.04182 | HUP | 540 |
| 6 | A-9-3 | 30.55482 | -97.04309 | HUP | 540 |
| 7 | AT-1 | 30.54091 | -97.05737 | DUAL HUP-OP | 500 |
| 8 | AT-2 | 30.56416 | -97.02223 | HUP | 540 |
| 9 | C4052A | 30.57223 | -97.02831 | DUAL HUP-OP | 300 |
| 10 | C4245 | 30.57988 | -97.02349 | DUAL HUP-OP | 240 |
| 11 | C4246 | 30.57911 | -97.02407 | DUAL HUP-OP | 250 |
| 12 | C4247 | 30.57784 | -97.02452 | DUAL HUP-OP | 240 |
| 13 | C4248A | 30.57674 | -97.02479 | DUAL HUP-OP | 230 |
| 14 | C4250A | 30.57393 | -97.02559 | DUAL HUP-OP | 290 |
| 15 | C-4440A | 30.58688 | -97.02000 | HUP | 440 |
| 16 | C5245B | 30.57941 | -97.00878 | DUAL HUP-OP | 410 |
| 17 | C-9-12 | 30.56138 | -97.02401 | DUAL HUP-OP | 440 |
| 18 | C-9-13 | 30.56657 | -97.01864 | DUAL HUP-OP | 320 |
| 19 | C-9-14 | 30.56227 | -97.02189 | DUAL HUP-OP | 420 |
| 20 | C-9-15 | 30.57191 | -97.00947 | HUP | 250 |
| 21 | C-9-16 | 30.57370 | -97.00835 | HUP | 420 |
| 22 | C-9-17 | 30.57550 | -97.00838 | HUP | 260 |
| 23 | C-9-18 | 30.57744 | -97.00833 | HUP | 510 |
| 24 | C-9-19 | 30.58184 | -97.00811 | HUP | 460 |
| 25 | C-9-20 | 30.56734 | -97.01604 | DUAL HUP-OP | 450 |
| 26 | C-9-23 | 30.56489 | -97.02366 | HUP | 420 |
| 27 | C-9-26 | 30.58430 | -97.01025 | HUP | 620 |
| 28 | C-9-27 | 30.58484 | -97.01057 | HUP | 500 |
| 29 | C-9-29 | 30.57276 | -97.00874 | HUP | 370 |
| 30 | C-9-30 | 30.57448 | -97.00817 | HUP | 420 |
| 31 | C-9-31 | 30.58076 | -97.00835 | HUP | 450 |
| 32 | DP-S-A-3 | 30.57033 | -97.03935 | DUAL HUP-OP | 250 |
| 33 | DP-S-A-4 | 30.56881 | -97.04432 | DUAL HUP-OP | 250 |
| 34 | DP-S-A-5 | 30.56458 | -97.04714 | DUAL HUP-OP | 250 |
| 35 | DP-S-A-6 | 30.56225 | -97.04861 | DUAL HUP-OP | 250 |
| 36 | DP-S-A-7 | 30.55998 | -97.05018 | DUAL HUP-OP | 250 |
| 37 | E-1 | 30.58835 | -97.01944 | DUAL HUP-OP | 1,000 |
| 38 | E-2 | 30.54073 | -97.06448 | HUP | 1,000 |
| 39 | E-3 | 30.53970 | -97.06348 | HUP | 1,000 |
| 40 | E-4 | 30.53892 | -97.06204 | HUP | 1,000 |
| 41 | F1 Sims | 30.51378 | -97.07286 | HUP | 560 |
| 42 | F10 Sims | 30.52283 | -97.06630 | DUAL HUP-OP | 250 |

| | | | | | |
|----|---------------|----------|-----------|-------------|-----|
| 43 | F11 Sims | 30.52264 | -97.06762 | DUAL HUP-OP | 250 |
| 44 | F12 Sims | 30.51527 | -97.07801 | DUAL HUP-OP | 250 |
| 45 | F13 Sims | 30.51867 | -97.07272 | DUAL HUP-OP | 250 |
| 46 | F14 Sims | 30.51614 | -97.07222 | DUAL HUP-OP | 250 |
| 47 | F15 Sims | 30.51738 | -97.07004 | DUAL HUP-OP | 250 |
| 48 | F2 Sims | 30.51536 | -97.07445 | DUAL HUP-OP | 250 |
| 49 | F3 Sims | 30.51442 | -97.07441 | HUP | 250 |
| 50 | F4 Sims | 30.51329 | -97.07452 | DUAL HUP-OP | 250 |
| 51 | F5 Sims | 30.51402 | -97.07085 | HUP | 250 |
| 52 | F5222A | 30.50352 | -97.10667 | HUP | 500 |
| 53 | F5222B | 30.50301 | -97.10691 | HUP | 200 |
| 54 | F6 Sims | 30.51804 | -97.06758 | DUAL HUP-OP | 250 |
| 55 | F8 Sims | 30.51959 | -97.06777 | DUAL HUP-OP | 250 |
| 56 | F9 Sims | 30.52120 | -97.06688 | DUAL HUP-OP | 250 |
| 57 | NFD-02 Sims | 30.51388 | -97.07195 | HUP | 250 |
| 58 | P-5 | 30.58484 | -97.01220 | DUAL HUP-OP | 500 |
| 59 | South Crusher | 30.52158 | -97.10150 | HUP | 500 |
| 60 | Storm Shelter | 30.50569 | -97.10631 | HUP | 500 |
| 61 | Wash Rack | 30.55158 | -97.07546 | HUP | 500 |

* "DUAL HUP-OP" wells are approved for use under both SLR's Historic Use Permit and SLR's Operating Permit No. 0148