

Adopted Rules of North Plains Groundwater Conservation District Adopted on August 13, 2025 and Effective September 1, 2025

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CHAPTER 1
GENERAL PROVISIONS AND DISTRICT JURISDICTION

1.1. **General Jurisdiction of the District:** The North Plains Groundwater Conservation District is a political subdivision of the State of Texas organized and existing under § 59, Article XVI, Texas Constitution, Texas Water Code, and the District's Enabling Legislation.

1.2. **District Business Office, Mailing Address, and Phone Number:** The business office and mailing address of the District are as follows:

1. Business Office: 603 East 1st Street, Dumas, Texas 79029;

2. Mailing Address: P.O. Box 795, Dumas, Texas 79029;

3. Phone Number: 806-935-6401; and,

4. District Website: www.northplainsgcd.org.

1.3. **Purpose of the Rules:** These Rules are adopted under the authority of § 36.101, Texas Water Code, for the purpose of conserving, preserving, protecting and recharging Groundwater in the District; and to prevent degradation of water quality; prevent waste of Groundwater; achieve the Desired Future Conditions set by the District; and to implement § 59, Article XVI, Texas Constitution; the Texas Water Code; and the District's Enabling Legislation. The Rules of the District may be amended from time-to-time to comply with the District's Management Plan and any revisions to the Texas Water Code by the Texas Legislature. The Rules may also be amended because of a change in the condition or use of the Aquifer.

1.4. **Petition to Adopt or Change District Rules:**

1. A person with a real property interest in groundwater in the District may file a petition with the District to request the adoption of a rule or to request a change to an existing District rule.

2. Petitions must be submitted in writing to the District office and must comply with the following requirements:

A. each rule, or rule revision, requested must be submitted by a separate petition;

B. each petition must be signed and state the name and address of each person signing the petition;

C. each petition must include:

a. a brief description of petitioner's real property interest in groundwater in the District;

b. a brief explanation of the proposed rule or proposed rule revision;

c. the text of the proposed rule prepared in a manner to indicate the words to be added or deleted from the text of the current District rule, if any;

d. an allegation of injury or inequity that could result from the failure to adopt the proposed rule.

3. The General Manager may reject any petition for failure to comply with the requirements of Subparagraph 2. of this Paragraph 1.4. and shall provide notice to the petitioner about the reason for the rejection.

4. Within 90 days after submission of a petition that complies with Subparagraph 2. of this Paragraph 1.4., the Board shall either deny the petition, stating its reason for denial in the minutes of the board meeting and in a letter providing a written explanation to the petitioner, or initiate rulemaking proceedings as provided by Texas Water Code, Section 36.101 and these Rules.

1.5. **Construction of the Rules:** Unless otherwise expressly provided for in these Rules, the past, present and future tense shall each include the other; the masculine, feminine and neutral gender shall each include the other, and the singular and plural number shall each include the other.

1.6. **General Requirements for Applications, Registrations, Reports and Matters before the Board:** The Applicant shall provide on forms authorized by the District the following information:

1. Full name, address, telephone number and e-mail address of the Groundwater right Owner;

2. The name and mailing address of the Applicant. If the Applicant is not the Groundwater right Owner, the Applicant must furnish satisfactory documentation authorizing the Applicant to file an application, registration, or request a matter to be placed before the Board on behalf of the Groundwater right Owner; and

3. The document must be certified as true and correct by the responsible party or authorized representative.

1.7. **Application Null and Void:** An application is null and void if the District does not receive the required deposit(s), any applicable fee(s) and all the information required to be furnished by the Applicant within seven (7) business days from the date filed in the District office**.**

1.8. **Enforcement of Rules:** All Rules duly adopted, promulgated and published by this District shall be enforced as provided under the Texas Water Code and other applicable Texas law as now, or hereafter amended.

1.9. **Authority to Enter Land:**

1. Chapter 36 of the Texas Water Code grants the District the authority to enter real Property at reasonable times for the purpose of inspecting and investigating conditions relating to compliance with any Rule, regulation, permit, or other Order of the District including, but not limited to:

   A. Inspecting a proposed Well site, and any existing Well, or Wells;

   B. Determining the pumping capacity of any Well, or Wells;

   C. Reading or interpreting any Meter, wire box or other instrument used to measure production of Water from any Well or Wells;

   D. Collecting samples to be used in Groundwater quality programs;

   E. Testing the pump and the power unit of any Well or Wells;

F. Inspecting real Property for sources of potential or actual Pollution;

G. Performing any other reasonable and necessary inspections and/or tests that may be required to collect Groundwater information; and

H. Enforcing the Rules of the District.

2. Employees of agents acting under this authority who need to enter "restricted access" to real property or structures shall observe the establishment's rules and regulations concerning safety, biological security, internal security, and fire protection, and shall notify any occupant or other Person having apparent legal authority of their presence.

3. An application for a permit may be suspended or canceled by the Board if the Applicant refuses to grant the District's employees access to real property to gather information necessary to complete the application.

4. The operation of any Well may be enjoined by the District immediately upon refusal to grant the District's employees access to real property as provided above.

5. District employees or agents of the District entering real property pursuant to this Rule shall exhibit proper identification upon request.

1.10. **Fraudulent Acts:** It shall be a fraud upon the District, the public, and it shall be a violation of these Rules, for any Person to willfully submit false information concerning applications, registrations, reports and other matters before the District, or to willfully bypass, disable, tamper with or otherwise prevent a Meter or Metering System from accurately measuring and/or recording the volume of Groundwater produced.

1.11. **Person's Right to Request a Hearing:** A Person with justiciable interest may contest the General Manager's decision on a matter and request a hearing before the Board. The matter shall be deemed contested and shall be resolved in accordance with these Rules.

CHAPTER 2
APPLICATIONS, PERMITS, REGISTRATIONS

2.1. **Test Hole Permit, Well Permit or Well Registration Required:** All Wells must be registered with the District or have a Test Hole Permit or Well Permit issued by the District. No Person shall drill a Well, increase the size of a Well, or Well pump above the original, or amended permitted capacity, without having first registered the Well, or applied to the District on a form authorized by the District and received a permit or amended permit to do so, unless the drilling and operation of the Well is exempt by law or by these Rules.

2.2. **District Action on Applications:** The District staff will take action on the application as follows:

1. The District shall immediately upon receipt, note the date and time of day each application is received and shall identify each application with a serial number.

2. Review application for all required information and fees;

3. Perform site investigations as required by the permit;

4. The District shall assign the Well Permit to a Groundwater Production Unit upon the General Manager's review;

5. Provide the Owner of the Groundwater Production Unit a list of any compliance issues within the Groundwater Production Unit which must be corrected by the Owner before the new Well may be operated; and

6. The General Manager shall within seven (7) business days review the Well Permit application and other documents included with the application after all documents and fees are received and all field investigations are complete.

2.3. **Duration of Well Permit:**

1. A Well Permit is valid for one hundred-fifty (150) calendar days after the date the permit application is approved by the General Manager. The Board, for good cause, may extend the duration of a Well Permit. To be considered by the Board, an application for an extension must

be filed with the District before the expiration of the Well Permit. If the proposed Well is not constructed (with the minimum of Casing, a pad, and a cap) within the one hundred-fifty (150) calendar-day-period (plus any extensions granted by the Board), the Well Permit shall automatically lapse and become null and void.

2. If the proposed Well is constructed, as defined above within the 150-day (or extended) construction period, but not equipped to produce Water, the General Manager shall, after termination of the construction period, submit the Well Permit to the Board for review and determination by formal vote if the Well is properly located and constructed according to the permit and these Rules. Thereafter, when the Well is equipped to produce Water, the permit shall then be reviewed by the Board to determine if the Well, as equipped, complies with these Rules.

2.4. **Well Permits Are Provisional:** All existing Well Permits, and Well Permits subsequently issued by the District, are provisional. Therefore, production limits and pumping capacity are subject to change as a result of the District's increase or decrease of the Allowable Annual Production limit.

2.5. **Extended Time Well Permit:** An Applicant, for good cause, may request and make application for a permit of longer than normal duration. Notice will be given to the Applicant of the scheduled date the Board will consider extending the time of the permit.

2.6. **Expedited Permit:** An Applicant, for good cause, may request and make an application for an expedited permit. The District will expedite the permitting process as reasonably possible considering staff schedules and workloads. An expedited permit is not a guarantee of any specific schedule of application completion and approval.

2.7. **Test Hole Permit Application:** In addition to the requirements of Rule 1.6, the Applicant shall provide the following information on forms prescribed by the District:

1. The Section, block, survey, league or other recorded legal description, and the county in which the real property is located;

2. The name, mailing address and telephone number of the driller or contractor;

3. An agreement by the Applicant that the location of the Test Hole(s) and driller's logs will be furnished to the District by the Applicant, or by the Applicant's authorized representative, upon completion of the Test Hole operation. The location of the Test Hole(s) shall be identified by a metes and bounds description, or by a GPS longitude and latitude reading;

4. A Declaration that the Test Hole(s) will be Plugged and logs and plugging Reports will be furnished to the District upon completion of the Test Hole operation (TWC § 36.112); and

5. Any other information deemed necessary by the General Manager of the District, subject to the approval of the Board.

2.8. **Duration of a Test Hole Permit:** A Test Hole Permit shall be valid for sixty (60) calendar days from date of application approval and the permit may not be extended.

2.9. **Test Hole Permit Sets Priority for Well Site Locations:** A Test Hole Permit holder may apply for Permitted Well locations before the expiration of the Test Hole Permit.

2.10. **Well Permit Application Required:**

1. To receive a Well Permit, and in addition to the requirements of Rule 1.6, an Applicant shall provide information on forms prescribed by the District as follows:

   A. The exact location of the Well to be drilled, including the Section, block, survey, league and/or other recorded legal description, the county in which the Groundwater Production Unit is located, and/or GPS longitude and latitude reading, the exact number of yards from the two nearest Section lines, and a statement as to the proposed use of the Well;

   B. The name and address of the driller, contractor and/or pump installer;

   C. A verified statement as to the exact location of all Wells and/or Well Permit applications within the Groundwater Production Unit, together with the legal description of each location, or permit application number or District Well number;

D. A verified statement that all Wells within the Groundwater Production Unit will be in compliance with all District Rules at the end of the permit construction period;

E. An agreement that all required information will be furnished to the District upon completion and prior to production of Water from the Well, including without limitation:

(1) Driller's logs in accordance with TWC §36.112; and

(2) Records and Reports on the drilling, equipping, and completing of Water Wells in accordance with TWC §36.111, including, without limitation: Casing length, perforation depth, gravel packing, depth of pump, bowl sizes, number of stages, pump size, power unit requirements, horsepower, GPM test pumping and pumping level;

F. A Declaration that the integrity of the Well will be maintained and if it becomes deteriorated or is abandoned, the Well will be repaired, Plugged or capped in accordance with the Rules of the District, Chapter 1901 of the Texas Occupations Code and the Texas Department of Licensing and Regulations;

G. An application for a Well Permit is subject to any approved Well Permit and/or any active Test Hole Permit on adjacent property. However, a permit application for a Well spaced at least four hundred (400) yards inside the Property Lines and not in conflict with any other Rules of the District will not be considered in conflict with an active Test Hole Permit on adjacent property; and

H. Any other information deemed necessary by the General Manager of the District, subject to the approval of the Board.

2.11. **Requirements Before the Well may be Operated:**

1. The Well Owner shall notify the District when the Well is complete, including all equipping of the Well and any necessary testing;

2. All Wells within the Groundwater Production Unit must be in compliance with the District's Rules subject to District Rule 5.1.4; and

3. The Well Owner shall provide the Meter serial number and the beginning Meter reading.

2.12. **General Manager Shall Inspect Well:** The General Manager shall perform a site inspection to determine if the Well, and all Wells within the Groundwater Production Unit, are in compliance with the Rules.

2.13. **General Manager Shall Submit Well Permit to the Board for Compliance Review:** After the site inspection is complete and it is determined that the Well (and all Wells within the Groundwater Production Unit) are in compliance with the Rules of the District and the Well Permit application, the General Manager shall submit the Well Permit to the Board for final compliance approval.

2.14. **Permit Available during Drilling or Equipping a Well:** A copy of a Well Registration, Test Hole Permit, or Well Permit approved by the General Manager shall be available (which may be through electronic means) at the drilling rig at all times during which the rig is drilling a Well and shall also be so available at the Well when completing or equipping a Well.

2.15. **Well Exemptions:** Wells exempt from permitting under TWC §36.117:

1. **Domestic Wells and Livestock Wells.** Domestic Wells and Livestock Wells that are not capable of producing more than 25,000 gallons of Water per day are exempt from permitting, Well spacing, and metering Rules but must be registered with the District. Domestic Wells and Livestock Wells which are reworked and equipped to produce more than 25,000 gallons of Groundwater per day shall be subject to the permitting and related requirements of Rule 2.15.2 D(1), (2), and (3);

2. **Rig Supply Wells.** Any Well used solely to supply Water for a rig that is actively engaged in drilling or exploration operations for an oil or gas well permitted by the Railroad Commission of Texas (RRC) is exempt from permitting, but is subject to the following:

A. The Well shall be registered with the District and equipped and maintained in accordance with these Rules as to drilling, installation of Casing, completion, pipe and fittings to prevent

the escape of Groundwater from a Groundwater Reservoir to any reservoir not containing Groundwater; and to prevent the Pollution or harmful alteration of the character of the Water in any Groundwater Reservoir;

B. The Well shall be equipped with a flow Meter pursuant to the Rules; and

C. The Operator shall report Groundwater production to the District Annually;

D. Any Well no longer used solely to supply Groundwater for a rig that is actively engaged in drilling or exploration operations for an oil or gas Well shall remain exempt from permitting so long as the Well is equipped to produce no more than 25,000 gallons per day and is used solely for Domestic and/or Livestock purposes. Rig supply wells that are reworked to produce more than 25,000 gallons of Groundwater a day are subject to the following:

(1) The Owner shall file an application with the District for a permit and comply with all District Rules;

(2) If the Well does not meet the classification, spacing and density provisions of Rule 3, the Well shall be equipped to meet those requirements;

(3) If the Well cannot be equipped to meet the classification, spacing and density provisions of Rule 3 of the District, the Well shall be Plugged or capped in accordance with the Rules of the District and Chapter 1901 of the Texas Occupations Code; and

(4) If a former rig supply Well is subsequently used again for a rig supply Well, the operator shall comply with Rules 2.15.2.A., B. and C; and

3. An Owner of a proposed Well exempted under these Rules may file an application with the District for a permit prior to drilling the Well. If an application is filed with the District, the Well must comply with all Rules of the District.

2.16. **Required Information and Forms After Drilling a Permitted Well is Complete:** The Well Owner shall notify the District when the Well is complete, including installation of all District required equipment. No later than 30 days following the expiration of the Well Permit, the Well Owner shall provide the District the following:

1. Driller's logs in accordance with TWC §36.112; and

2. All records and reports on the drilling, equipping, and completing of the Well in accordance with TWC §36.111, including, without limitation: Casing length, perforation depth, gravel packing, depth of pump, bowl sizes, number of stages, pump size, power unit requirements, horsepower, GPM test pumping and pumping level.

2.17. **Export Permits:** Any Person who Exports, or intends to Export Groundwater, from within the District to outside of the District must make application with the District and receive a permit to do so prior to Export activities commencing. In addition to these Rules, an Applicant for an Export permit must comply with TWC §36.122.

2.18. **Well Registration Required:** Monitor Wells, Domestic Wells, Livestock Wells, and a Well used solely to supply Water for a rig that is actively engaged in drilling or exploration operations for an oil or gas well permitted by the Railroad Commission of Texas (RRC) shall be registered with the District. A Well Registration shall be in writing on a form specified by the District and shall provide the following information:

1. The name and mailing address of the Owner of the Well;

2. The name and address of the driller or contractor;

3. The exact location of the Well to be drilled, including the Section, block, survey, league, or other recorded legal description, the county in which the Well is located, and/or a GPS longitude and latitude reading; and

4. Records and Reports on the drilling, equipping, and completing of the Well, including, without limitation: driller's logs, Casing length, perforation depth, gravel packing, depth of pump, pump size, power unit requirements and horsepower.

CHAPTER 3
WELL CLASSIFICATION, SPACING AND DENSITY

3.1. **Well Classification and Spacing:** Wells are subject to the following classifications. All Wells will be classified according to their actual production capacity in gallons per minute (GPM) when operated under normal operating conditions. Wells must be classified and spaced as follows:

Pumping Capacity (gallons per minute)	Classification	Minimum Distance from Nearest Permitted Well (Yards)	Minimum Distance from Property Line (Yards)
0 – 17	S	50	17
18 – 100	A	150	100
101 – 400	B	250	100
401 – 800	C	400	100
greater than 801	D	500	100

3.2. **Spacing from Domestic Wells and Livestock Wells:** All new Wells that are not a Domestic Well or Livestock Well classification shall be spaced at least fifty (50) yards (150 ft.) away from an existing Domestic or Livestock Well.

3.3. Auxiliary Well: Repealed November 15, 2022.

3.4. **Replacement Well Spacing:** A replacement Well, in order to be considered as such, must be drilled within fifty (50) yards of the Well being replaced and not elsewhere. It must not be located toward any other Owner's Well or Authorized Well Site that causes it to violate spacing Rules of the District.

3.5. **Disposition of a Replaced Well:** Immediately upon completion of a replacement Well, the Well being replaced shall be:

1. Plugged;

2. properly equipped and constructed as a Domestic Well or Livestock Well in such a manner that it cannot produce more than 25,000 gallons of Groundwater per day; or

3. capped if the Well Casing is in good condition and all production piping, engine and surface works are removed.

3.6. **Spacing Easements:** A new Permitted Well may be spaced less than the minimum distance from the Property Line or from a Domestic Well or Livestock Well if a spacing easement is filed with the District in accordance with these Rules.

1. An Owner may grant permission to an adjacent Owner to drill and operate a Well within a distance less than the required Property Line spacing provided in District Rule 3.1.

2. A Domestic Well or Livestock Well Owner may grant permission to an adjacent Owner to drill and operate a Well within a distance to the Domestic Well or Livestock Well less than the required Well spacing provided in District Rule 3.2.

3. A document specified by the District granting a spacing easement to the adjacent Owner shall be identified as a "spacing easement". The easement shall set forth the description of the adjacent properties or Wells committed to the easement, clearly identify the adjacent properties or Wells and contain a map or a plat of the properties. The easement shall thereafter be attributable to a Well or Wells located, or to be located, within the spacing easement.

4. The easement shall be signed by the Owner granting the easement, or a Person having legal authority to grant and execute such easement.

5. The easement must state the distance in yards (if any) that an adjacent Owner may drill and operate a Well or Wells away from the Property Line or Domestic Well or Livestock Well and the total distance along the adjacent Property Line or from the adjacent Domestic Well or Livestock Well which the easement extends.

6. The easement shall be binding upon and shall be for the benefit of the Owner or other authorized Person included in the easement.

7. The Owner or other authorized Person must agree that no changes in the spacing easement shall be made without the prior written approval of the District.

8. The easement shall become effective only when it is filed in the office of the county clerk of the county or counties in which the Groundwater Rights are located and a certified copy thereof is filed at the principal office of the District.

9. The Owner, or the Owner's legal representative, shall provide:

   A. the name, mailing address and telephone number of the Owners;

   B. the county, block, survey and Section number of each Section or portion of a Section involved in the easement; and

   C. the legal description, or a metes and bounds description, of each tract to be included in the easement.

3.7. **Maximum Permitted Well Density:** The maximum permitted Well density of a Groundwater Production Unit, including Capped Wells, shall be:

1. Applied on a GPU acreage basis on a Section or part of a Section within the GPU.

2. One Well for GPUs of acreages less than 64 acres.

3. One Well per each 64 acres for Groundwater Production Units of acreages greater than 64 acres. For GPUs comprised of acreages not evenly divisible by 64, the total maximum permitted Well density, including Capped Wells, shall be equal to the number of acres divided by 64 and the result rounded up to the next whole number.

3.8. **Maximum Well Density Includes Capped Wells:** The maximum permitted Well density shall include all Capped Wells on a Section.

3.9. **Right to Continue to Produce a Well:**

1. A Person's right to continue to produce a Well is dependent upon maintaining the ownership of Contiguous acres of Groundwater Rights sufficient to: support the Well density under these Rules; produce the Allowable Annual Production for the GPU; and comply with other Rules of the District; and

2. A Conveyance of any portion of the Groundwater Rights could result in non-compliance with Rules of the District.

3.10. **Conveyance or Reservation of Groundwater Rights:** The District shall be notified by the grantee of any Conveyance of Groundwater Rights, or the Person reserving Groundwater Rights separate from the surface of the land, within 30 days from the date of the Conveyance or Reservation, by providing a copy of the recorded document of Conveyance or reservation to the District.

CHAPTER 4
WATER QUALITY, WELL CONSTRUCTION AND REQUIRED EQUIPMENT

4.1. **District Shall Protect Groundwater Quality:** The District shall use any remedies authorized by law to protect Groundwater quality from point source and non-point source Pollution.

4.2. **Well is Constructed and Maintained to Prevent Pollution:** All Wells shall be completed, equipped and maintained in such a manner as to protect human life and prevent Pollution and comply with the Rules of the District.

4.3. **Well Location Accuracy:** After the application for a Well Permit has been granted, the Well, if drilled, must be drilled within ten (10) yards of the location specified in the permit, and not elsewhere. If the Well is drilled more than ten (10) yards from the location specified in the permit, it will be an Illegal Well. The District may enjoin the drilling or operation of an Illegal Well and/or assess civil penalties as provided in these Rules.

4.4. **Well Construction:** Except for a Person who installs or repairs Water Well pumps and equipment on his own property, or on property that he has leased or rented for his own use, no Person shall drill, complete or equip a Well without having a current Texas Water Well driller's license, Texas pump installer's license. All Persons installing or repairing Water Wells and Water Well equipment within the District must comply with the Rules and regulations of the District, state or federal agencies or political subdivisions having jurisdiction. Further, no Well shall be constructed within the District with Casing perforations above the static Groundwater level.

4.5. **Required Equipment on Wells for the Protection of Groundwater Quality:**

1. Unless otherwise determined by the District that a superior check valve system is installed, the following equipment must be installed on all Wells as follows:

   The type of check valve installed shall meet the following minimum specifications:

   A. The body of the check valve shall be constructed of cast iron, stainless steel, cast aluminum, cast steel, steel, or of a material

and design that provides a sturdy integrity to the unit and is resistant to any foreign substance being injected. All materials shall be corrosion resistant or coated to prevent corrosion. The valve working pressure rating shall exceed the highest pressure to which the valve will be subjected;

B. The check valve shall contain a suitable automatic, quick-closing and tight-sealing mechanism designed to close at the moment Water ceases to flow in the downstream direction. The device shall, by a mechanical force greater than the weight of the closing device, provide drip-tight closure against reverse flow. Hydraulic backpressure from the system does not satisfy this requirement;

C. The check valve construction should allow for easy access for internal and external inspection and maintenance. All internal parts shall be corrosion resistant. All moving parts shall be designed to operate without binding, distortion, or misalignment;

D. The check valve shall be installed in accordance with the manufacturer's specifications and maintained in a working condition during all times in which the Well is in operation. The check valve shall be installed on the pump discharge pipe of the Well. If fertilizer, pesticide, chemical, animal or human waste or other foreign substance is injected into the Water system, it shall be injected downstream of the check valve. If the check valve is a chemigation valve it may be injected through the chemigation valve port;

E. A vacuum-relief device shall be installed between the pump discharge and the check valve in such a position and in such a manner that insects, animals, floodwater, or other pollutants cannot enter the Well through the vacuum-relief device. The vacuum-relief device may be mounted on the inspection port if it does not interfere with the inspection of other anti-Pollution devices;

F. An automatic low-pressure drain shall also be installed between the pump discharge and the check valve in such a position and manner that any fluid which may seep toward the Well around the flapper will automatically drain out of the pipe. The drain

must discharge away from, rather than flow toward, the Well. The drainage must not collect on the ground surface or seep into the soil around the Well Casing;

(1) The drain shall be at least three-fourths of an inch (3/4") in diameter and located on the bottom of the horizontal pipe between the pump discharge and the check valve;

(2) The drain must not extend beyond the inside surface of the bottom of the pipe unless special provisions, such as a dam located upstream of the drain, forces seepage to flow into the drain; and

(3) The outside opening of the drain shall be at least two inches above the grade;

G. An easily accessible inspection port shall be located between the pump discharge and the check valve, and situated so the automatic low-pressure drain can be observed through the port and the flapper can be physically manipulated;

H. The port shall allow for visual inspection to determine if leakage occurs past the flapper, seal, seat, and/or any other components of the checking device;

I. The port shall have a minimum four-inch diameter orifice or viewing area. For irrigation distribution systems with pipe lines too small to install a four-inch (4") diameter inspection port, the check valve and other anti-Pollution devices shall be mounted with quick disconnects, flange fittings, dresser couplings, or other fittings that allow for easy removal of these devices; and

2. A Well that is not connected to a Water piping or other delivery system, a Domestic Well, or a Public Water Supply Well that supplies Water for human consumption, is exempt from this Rule 4.5, Subsection 1, providing the Well complies with the appropriate State construction standards.

4.6. **Maintaining Equipment:** Owners are required to maintain Meters, Metering Systems and equipment, Alternative Metering Systems and equipment, check valves and all District required equipment in accurate and good working order at all times Groundwater is being produced.

4.7. **Capping a Well:** A Well in non-deteriorated condition must be capped with a covering capable of preventing surface Pollution from entering the Well and sustaining weight of at least 400 pounds. The Well must be constructed in such a way that the covering cannot be easily removed by hand.

4.8. **Capping a Well Because of Risk to Human or Animal Safety:** A Well may be capped immediately by the District, with no notice to the Owner, if the Well is Deteriorated or poses a risk to human or animal safety or health.

4.9. **Plugging a Well:** A Well identified as a Deteriorated Well or borehole must be Plugged or repaired in accordance with the requirements of the District and any statewide law, agency or political subdivision having jurisdiction including, but not limited to, Chapter 1901 of the Texas Occupations Code, and the Texas Commission on Environmental Quality.

1. A driller or pump installer who knows of a Deteriorated Well shall notify the Well Owner or Person who possesses the Well that the Well must be Plugged or repaired to avoid injury or Pollution.

2. Not later than the 180th day after the date a Well Owner or other Person who possesses a Deteriorated Well is notified, the Well Owner shall either repair the Well or have the Well Plugged.

3. Not later than the 30th day after the date the Well is Plugged, a driller, licensed pump installer or Well Owner who plugs a Deteriorated Well shall submit a plugging report to the District.

4. District staff may enter property to cap or plug a Well if the Owner fails or refuses to plug or repair the Well in compliance with this Rule after being notified to do so in writing by the District. Thereafter, any Person employed by the District may go on the real property and close or cap the Well.

5. If a Well remains Deteriorated for 180 days after the District has notified the Owner to plug or repair the Well, the General Manager shall notify the Owner that there is pending Board action to plug the Well. The notification to the Owner shall include:

   A. any corrective action the Well Owner may take to prevent the Well plugging;

B. the conditions under which the Well may be considered for plugging through action of the Board; and

C. the date, time and location of the meeting at which the Board will consider the plugging of the Well.

4.10. **District Recovery of Expenses:** The District may recover the expenses incurred in capping a Well, or plugging a Deteriorated Well, by filing a lien on the property (TWC §36.118). A lien is perfected by filing an affidavit in the deed records of the county where the Well is located, executed by District personnel having personal knowledge of the facts, stating:

1. the existence of the Well;

2. the legal description of the property on which the Well is located;

3. the approximate location of the Well on the property;

4. the failure or refusal of the Owner or lessee, after notification, to cap or plug the Well within 180 days after notice;

5. the plugging or capping of the Well by the District, or by an authorized agent, representative, or employee of the District; and

6. the expense incurred by the District in plugging or capping the Well.

CHAPTER 5
WATER FLOW METERS AND ALTERNATIVE MEASURING METHODS

5.1. Water Well Flow Meters or Alternative Measuring Method Required:

1. All Owners of Wells in existence prior to October 14, 2003 which are reworked to increase production, and all Wells drilled after October 14, 2003 shall:

   A. Install a Water Meter to measure the Groundwater production from the Well; and

   B. Report Annual Production from the new Well and other Wells on the GPU in accordance with these Rules.

2. Owners of a Well in existence on October 14, 2003, or at the time a Well was annexed into the District, whichever is later, may elect to use an Alternative Metering System as authorized by these Rules.

3. Any Person electing to use an Alternative Metering System shall agree in writing to be bound by the results of the Groundwater production measurements as calculated under the Alternative Metering System.

4. An Owner may use an Alternative Metering System or a Central Collection Point to report Groundwater withdrawals from a GPU until the Owner applies for a permit to construct a Well or amend an existing Well Permit on the GPU. At that time:

   A. Except as provided in Rule 5.1.4.B., the Owner must install Meters at the pump on all Wells in the GPU within 365 days after the date the permit or amended permit was approved; and

   B. Provided, however, for GPUs that are 640 acres or less and are not Contiguous with the Owner's other GPUs, the Owner shall install a Meter on the new Well and may continue to utilize, or may install, a Meter at a Central Collection Point to measure all Water produced from the GPU.

5. The Metering System shall remain on the Well and be in proper operating condition at all times when Groundwater is being produced. If the Metering System ceases to operate correctly and/or it becomes necessary to remove the Metering System to make repairs and the Well is in operation, the Owner, or the Owner's legal representative, shall within 30 days:

   A. Inform the District of the date the Metering System ceased to operate, the date the Metering System will be removed, and the totalizer reading of the Meter or the calculated Groundwater usage at the time the Metering System is removed;

   B. Inform the District of the date the Metering System was replaced and the totalizer reading of the Meter at the time the Meter was replaced, if the Metering System utilizes an hour Meter, the number of hours on the Meter at the time of replacement; and

   C. Make a determination of the amount of Groundwater, which was produced during the time the Metering System was not in operation. The General Manager shall work with the Well Owner to select the determination method.

5.2. **Water Flow Meter Specifications:** Each Water flow Meter required by the District, shall meet the following minimum requirements:

1. The Water flow Meter has been certified by the manufacturer to register neither less than 98 percent, nor more than 102 percent of the actual volume of Water passing through the Water flow Meter when installed according to the manufacturer's instructions. This requirement shall be met throughout the Water flow Meter's normal operating range without further adjustment or calibration;

2. The Water flow Meter will maintain the accuracy as stated in these Rules;

3. The Water flow Meter must meet the following criteria:

   A. A seal installed by the manufacturer or an authorized representative of the manufacturer; or

B. A totalizer on which the reading cannot be altered without breaking the seal or obtaining the authorization of the manufacturer, or an authorized representative of the manufacturer, or the District;

C. The Water flow Meter must clearly indicate the direction of Water flow;

D. The Water flow Meter must clearly indicate its serial number;

E. The Water flow Meter must have a weatherproof register that is sealed from all Water sources;

F. The Water flow Meter must have a register that is readable at all times, or the Well Owner must energize the system upon request for the District to inspect the flow Meter; and

G. The Water flow Meter must be capable of being sealed by an authorized representative of the District to prevent unauthorized manipulation of, tampering with, or removal of the Water flow Meter;

4. The Water flow Meter must remain operable without need for recalibration to maintain accuracy throughout the operating life of the Water flow Meter;

5. The Water flow Meter must have a totalizer that meets the following criteria:

A. Is continuously updated to read directly only in Acre-feet, acre-inches, or gallons;

B. has sufficient capacity, without cycling past zero more than once each Year, to record the quantity of Water if the Well operated 24 hours a day for a Year at maximum classification capacity;

C. reads in units small enough to measure the Annual Water use to within the nearest 0.1 percent of the total Annual permitted quantity of Water;

D. has a dial or counter that can be timed with a stopwatch over not more than a 10-minute period to accurately determine the rate of flow under normal operating conditions; and

E. has non-volatile memory;

6. Each Water flow Meter required by the District shall meet the following minimum specifications:

A. Each Water flow Meter shall be of the proper size, pressure rating and style, and shall have a normal operating range sufficient to accurately measure the Water flow passing the Water flow Meter under normal operating conditions;

B. Each Water flow Meter shall meet the accuracy requirements of these Rules. If the Water flow Meter does not meet the accuracy requirements of these Rules, then:

(1) The Water flow Meter must be adjusted to meet the accuracy requirements of these Rules; or

(2) The Water flow Meter must be replaced, and the replacement Meter installed in accordance with the requirements of these Rules.

5.3. **Water Flow Meter Installation Specifications:** Each Water flow Meter that is required by the District to be installed under these Rules shall meet the following minimum installation specifications:

1. Shall be installed in a manner that meets or exceeds the instructions of the manufacturer.

2. Shall be sized and installed so that full pipe flow will be maintained through the Water flow Meter so that Water velocity in the measuring chamber will be within the normal operating range of the Water flow Meter at all times while the Water is being produced.

3. Shall be installed at a location at which the flow Meter measures all Water diverted from the source of supply and does not measure Water or other discharge, including tail-Water and sewage effluent.

5.4. **Alternative Measuring Method Specifications:** Alternative Measuring Methods authorized by the District shall meet the following minimum requirements:

1. Natural Gas Consumption as an Alternative Metering System - To use natural gas consumption as an Alternative Metering System and for Reporting purposes the following apply:

   A. The Well Owner shall provide the total natural gas use for the Year for each Well on a production unit and not elsewhere;

   B. The monthly use amounts must be converted to MCF if the billing units are in MMBTU (divide the monthly MMBTU use by the BTU Factor to convert);

   C. The monthly use amounts will be added together and the total Yearly MCF's shall be multiplied by .083 (conversion number for MCF to acre feet) to calculate Acre-feet of Water production; and

   D. The Well Owner must supply supporting documentation which must be legible and contain all of the following information: name of the energy supplier, Meter serial number, gas use for every month, Meter's unit of measure (MCF or MMBTU), and the BTU Factor when applicable;

2. Electric Consumption as an Alternative Metering System - For Well Owners that use Electric consumption as an Alternative Metering System and for Reporting purposes the following apply:

   A. The Well Owner shall provide the total electric consumption for the Year for each Well, each Groundwater Production Unit using multiple electric Meters or the combined total electric consumption where only one Meter from the power supplier is used for billing;

   B. The monthly use amounts will be added together and the total Yearly KWH's used shall be multiplied by .0011 (conversion number for KWH to Acre-feet) to calculate Acre-feet of Groundwater production;

C. The Well Owner must supply copies of the electricity invoices or complete account summaries for the Reporting Year; and

D. The electric Meter must be located so it is apparent which GPU it services;

3. Center Pivot Nozzle Package and Hour Meter - This Water Metering method uses the manufacturer's nozzle package specification installed on the center pivot system and the operation hours to record the total Annual production for Wells located on a Groundwater Production Unit where the center pivot is the only method used to irrigate, and Water from the Well(s) is not used elsewhere. To use this method, the Well Owner must:

A. Equip the center pivot system with an hour Meter installed at the control module or an integral part of the control module of the system;

B. Install the hour Meter so that the hours of operation are continually recorded when the system is in operation;

C. Install an hour Meter in accordance with the manufacturer's specification, with a rated accuracy of plus or minus two percent of actual time for which the Meter is recording operation hours, and with a register that Reports up to 99,999 hours of continuous operation;

D. Attach a copy of the third party monitoring system's printout; and

E. Attach a copy of the most recent nozzle package to the Annual Production Report if not currently on file with the District or if requested by the District;

4. Hour Meter and Certified GPM Flow Tests - This Water Metering method uses an hour Meter to record pump operation hours and a GPM certification production rate to record the total Annual production for Wells on a Groundwater Production Unit. To use this method the Well Owner must:

A. Install an hour Meter in accordance with the manufacturer's specification, with an accuracy of plus or minus two percent of

actual time for which the Meter is recording operation hours, and with a register that Reports up to 99,999 hours of continuous operation;

B. Perform the Certified GPM Test as specified by these Rules;

C. Certify that the installation of the hour Meter and the GPM test were completed as required by these Rules on forms prescribed by the District;

D. Record, keep and Report hour Meter readings on forms prescribed by the District when hour Meters are removed for servicing or replacement; and

E. Repair or replace hour Meter within 72 hours after a malfunction is discovered by the Well Owner;

5. CAFOs - This Alternative Metering System is only available for use to account for the Groundwater produced within the confines of CAFOs and only includes Water consumed by the livestock, Groundwater produced for mixing the feed, and where applicable, Groundwater produced for animal effluent washout. The Well Owner shall:

A. Maintain an accurate livestock monthly inventory;

B. Determine the average monthly head count by the livestock operation records. The average monthly head count should accurately represent the average monthly livestock inventory maintained at the location throughout the calendar Year;

C. Select livestock Water use from the table of values below, unless the livestock operation provides other site-specific data to the District for review and approval; and

D. Calculate Annual production with the following equations:

(1) Monthly Groundwater Production = Avg. Monthly Head Count X Gals per Head per Day X No. of Days per month for each month; and

(2) Total Annual Groundwater Production = Sum of all Monthly Groundwater Production. Allowable Gallons for CAFO Reporting Method.

Livestock	Type of Farm			Gal Per Head Per Day
Beef	Feed Yard	Without Overflow Water Tanks	Jan-Dec	13
Beef	Feed Yard	With Overflow Water Tanks	Apr - Sept	13
Beef	Feed Yard	With Overflow Water Tanks	Oct - Mar	15
Cattle	Whole Farm	Dairy		65
Swine	Whole Farm	With Effluent Recycling		5
Swine	Whole Farm	Without Effluent Recycling		8.5

5.5. **Other Approved Alternative Metering Systems:** The Board may approve additional Alternative Metering Systems that it finds meets the following:

1. The application demonstrates that a Water flow Meter or alternative measuring method specifications of these Rules will not satisfactorily serve the Water user's and the District's needs;

2. The proposed Water flow Meter or alternative measuring method will meet the accuracy requirements of these Rules;

3. The application identifies the approved Meter system specifications for which the Alternative Metering System is sought to replace;

4. The application describes in detail the preferred Alternative Metering System of measuring Groundwater withdrawals, including information on how the alternative will be implemented and documented, and a showing that the Alternative Metering System would, nonetheless, provide an accurate accounting of Groundwater withdrawn from the Well or production unit and not from elsewhere;

5. Granting the application will accomplish the objectives sought to be advanced and complies with District Rules; and

6. The Applicant is in compliance with District Rules, other permits, and orders of the Board.

5.6. **Water Flow Meter Testing by a Non-District Person:** If a Groundwater Right Owner desires to have a certified Water flow Meter test done by a third party ("Third Party"), other than District staff such Third Party must be certified by the District to perform the test and must demonstrate to the District:

1. The Third-Party has the training, skills, and experience necessary to properly conduct the test;

2. The Third-Party has the appropriate Water flow Meter to perform the test. The Water flow Meter has been tested for accuracy with test equipment that has been found to be accurate using standards traceable to the National Institute of Standards and Technology (NIST). The test equipment shall have been determined to be accurate within 12 months prior to the date of the proposed Water flow Meter test;

3. Any Third Party training required, and the certification, will be provided by the District and include:

A. Identification of the approved equipment necessary to perform the tests;

B. Instructions on how to use the equipment;

C. Instructions on procedures to follow in conducting tests; and

D. Instructions on tabulation of data collected during the tests.

5.7. **Certified Flow Test Shall be Performed:** During the first Year of operation when an alternative method that requires a certified GPM test is selected:

1. At the time a new or repaired pump is installed in an existing Well that is using an alternative method that requires a certified GPM test is selected;

2. Upon request by the District;

3. Requirements for a Certified Flow Test - Each Well production certification shall be performed as follows:

   A. A Well must have been operated for a minimum of forty-eight (48) hours prior to the certified flow test;

   B. The Well must be operating under normal operating conditions during the certified flow test;

   C. The Well shall be tested at the Well's normal operating revolutions per minute (rpm). Normal operating rpm is considered to be 1,750. If the Well's "normal operating" rpm is more or less than 1,750 rpm, the Well's "normal operating" rpm shall be certified and noted in the report;

   D. The production certification test shall be conducted for not less than one (1) hour with flow readings recorded at no less than fifteen (15) minute intervals;

   E. A certified gallon per minute test is required every five (5) Years; and

   F. The certified gallon per minute test report shall be filed with the District within thirty (30) days after the test is complete.

5.8. **Water Flow Meter and Alternative Metering System Audit:** The District may perform an audit of flow Meters or an Alternative Metering System on a GPU. The audit may include:

1. Flow testing Wells;

2. Meter System inspection;

3. Request additional documentation regarding Alternative Metering Systems; and

4. Any other information required by the Board to determine if the Meter or Alternative Metering System is recording Groundwater production properly.

CHAPTER 6
ALLOWABLE ANNUAL PRODUCTION AND REPORTING

6.1. **Allowable Annual Production:** Allowable Annual Production shall be set by the Board.

1. Allowable Annual Production shall be one and one-half (1.5) Acre-feet of Groundwater per acre of the Groundwater Production Unit ("GPU") unless amended pursuant to these Rules.

2. Production limitations and pumping capacity limitations on all existing Well Permits, and Well Permits subsequently issued by the District, are provisional as provided in Rule 2.4.

6.2. **Reduction of Allowable Annual Production to Achieve a Desired Future Conditions:** The Allowable Annual Production of a Management Zone may be reduced to achieve a Desired Future Conditions.

6.3. **Groundwater Conservation Reserve:** An Owner may accumulate a Groundwater Conservation Reserve ("Reserve") by reserving all, or a portion of, the current Year's (Reserve Year) Allowable Annual Production on a GPU. Thereafter, the Owner may apply the GPU's Reserve, not to exceed 0.50 Acre-feet per acre Per Year, to increase the GPU's Allowable Annual Production. If the Reserve is not utilized within the five-Year period following the Reserve Year, any accumulated Reserve terminates for the Reserve Year. The Reserve may only be used on the GPU on which the Allowable Annual Production was reserved. The GPU must be developed for a Beneficial Use for a calendar Year before it is eligible for the Conservation Reserve. If a GPU is developed for Groundwater production on or before January 1 of a calendar Year, the GPU shall be eligible for the Reserve for that calendar Year. An Owner may not draw from a future Year's Allowable Annual Production to increase the current Year's Allowable Annual Production. The Reserve shall only be available to an Owner if Annual Production Reports for the GPU have been timely filed. Any Reserve may only be applied after the GPU's Allowable Annual Production for the current Year has been depleted. If a GPU, or a portion of a GPU, is sold or transferred (including by gift or inheritance), the Conservation Reserve terminates as to the GPU, or the portion thereof, sold or transferred. Further, if the GPU is reduced in size or increased in size, or is otherwise altered, (except by sale or transfer of a portion of the GPU) the Conservation Reserve of the altered GPU terminates.

6.4. **Reporting Allowable Annual Production:** The Owner shall file an Annual Production Report ("Report"), on a form authorized by the District, reporting the production on each GPU.

1. The Report shall be filed no later than March 1 of the Year immediately following the Production Year.

2. The Report shall provide the total production in Acre-feet for each individual GPU and shall be for a period beginning on January 1 and ending on December 31 of the calendar Year.

3. The Owner shall certify in writing that the information contained in the Report is true and correct.

4. The District may perform an audit of any Report filed with the District.

5. The District may require the Owner to provide any reasonable supporting documentation to verify the Report.

CHAPTER 7
GROUNDWATER PRODUCTION UNITS ("GPUs")

7.1. **Establishing GPUs:** An Owner's Contiguous parcels of Groundwater Rights located within the District may be joined to form a GPU as follows:

1. The Owner shall complete and file with the District a "Declaration of Groundwater Production Unit" ("Declaration"). The Declaration shall set forth the description of the Contiguous parcels of Groundwater committed to the GPU and shall clearly identify the name of the GPU and shall contain a map or a plat of the GPU. The Groundwater acreage shall thereafter be allocated to a Well or Wells located within the GPU. No Declaration is required for a GPU which is a Section or less, and all acreage is within the confines of a legally defined Section;

2. The map or plat of the GPU must be in a font size no smaller than ten (10) point, and shall:

   A. Clearly and accurately show the entire GPU by the legal description, and if necessary, a metes and bounds description of the GPU;

   B. Clearly and accurately show the existing Wells to be included in the GPU designated by their District assigned Well number;

   C. The Sections or portions of Sections must be clearly outlined and match the acreage allotted on the Declaration;

   D. Be clear and easily interpreted by District staff and must be of a quality, clarity, and sufficient accuracy that a Person not familiar with the GPU can easily identify and understand the boundaries;

3. The Declaration shall be signed by the Owner of the Groundwater Rights or the Owner's authorized agent;

4. The Declaration must state the number of surface acres and the number of acres of Groundwater Rights owned in the GPU;

5. The GPU shall be binding upon and shall be for the benefit of the Owner;

6. The District will recognize no changes in the ownership or boundaries of the GPU until the Declaration for the GPU has been properly and accurately updated and filed with the District; and

7. The Owner of the GPU or the Owner's authorized agent shall provide:

   A. The name, mailing address and telephone number of the Owner; and

   B. An identifying name and/or number for the proposed GPU.

7.2. **Perfecting the GPU:** The Declaration shall become effective only when a certified copy thereof is filed at the principal office of the District.

7.3. **Duration of the GPU:** Any GPU must remain in effect for at least one Production Year after the certified Declaration was filed with the District.

7.4. **GPU for New Wells:** A GPU shall be established for a new Well or Wells not already in a GPU upon approval of the permit application by the General Manager.

7.5. **Limitations on a GPU's Size and Shape:** A GPU shall contain no more than 1,600 acres and the most distant diagonal corners of the GPU shall not be more than 25,000 feet apart.

7.6. **GPU Boundary:** The boundary lines between two adjacent GPUs that are under the same common ownership shall be coexistent with a Section boundary or sub-Section boundary with boundaries no smaller than a quarter of a quarter of a Section, whichever is smaller, based on midpoint protraction of the Section. For purposes of this Rule, a quarter Section is considered the standard quarter Section and refers to the NE/4, SE/4, NW/4 and SW/4 of a Section.

CHAPTER 8
ADJUSTMENTS TO ALLOWABLE ANNUAL PRODUCTION TO ACHIEVE DESIRED FUTURE CONDITIONS

8.1. **Desired Future Conditions:** Desired Future Conditions ("DFC's") are set by Groundwater Management Area 1 ("GMA") joint planning and are as follows:

1. Ogallala Aquifer and Rita Blanca Aquifer Desired Future Conditions:

   A. Management Zone 1: Dallam, Hartley, Sherman and Moore Counties – 40% volume in storage remaining in 50 Years;

   B. Management Zone 2: Hansford, Hutchison, Ochiltree and Lipscomb Counties – 50% volume in storage remaining in 50 Years; and

2. Dockum Aquifer Desired Future Conditions – the average decline in Water levels will decline no more than 30 feet over the next 50 Years.

8.2. **Different Rules for Management Zones:** The District may adopt different Rules for each Management Zone overlying the Aquifer.

8.3 **Allowable Annual Production Limit Review**: At the beginning of a GMA joint planning cycle, and every five (5) Years thereafter, the District shall review the Allowable Annual Production limit for each Management Zone. The Allowable Annual Production limit may be increased or decreased. However, any increase shall not exceed the current Allowable Annual Production limit of 1.5 Acre-feet per acre Per Year.

8.4. **Conditions to Reduce Allowable Annual Production:** The Allowable Annual Production limit shall be reduced so as to achieve the DFC if the average Annual production in a Management Zone exceeds the average MAG amount for the first three (3) Years of the five-Year cycle.

8.5 **Calculation of the Allowable Annual Production:** If the Annual production in a Management Zone exceeds the MAG as calculated in 8.4 and the average MAG for all preceding Years is less than the average Annual production for the same period, then the average MAG for all preceding Years shall be divided by the average Annual production for the same period multiplied by the current Allowable Annual Production limit.

8.6. **Date New Allowable Annual Production Will Be Effective:** The revised Allowable Annual Production limit will be effective on the first day of January of the next GMA planning cycle.

8.7. **Board Variance:** The Board may set an Allowable Annual Production limit for a Management Zone which varies from the calculations in Rules 8.4 and 8.5 if a review of all of the Aquifer characteristics and conditions warrants such a variance.

8.8. **Publication of Aquifer Report:** On or before the first day of August of each Year, the District shall publish a report of the characteristics and conditions of the Aquifer.

CHAPTER 9
WASTE OF GROUNDWATER

9.1. **Waste of Groundwater Prohibited:** A Person shall not cause waste of Groundwater.

9.2. **Conditions Constituting Groundwater Waste:** Groundwater shall not be produced or used within the District in such a manner or under such conditions as to constitute waste. "Waste" means any one or more of the following:

1. withdrawal of Groundwater from a Groundwater Reservoir at a rate and in an amount that causes or threatens to cause intrusion into the reservoir of Water unsuitable for agricultural, gardening, domestic, or stock-raising purposes;

2. the flowing or producing of Wells from a Groundwater Reservoir if the Water produced is not used for a beneficial purpose;

3. escape of Groundwater from a Groundwater Reservoir to any other reservoir or geologic strata that does not contain Groundwater;

4. Pollution or harmful alteration of Groundwater in a Groundwater Reservoir by saltwater or by other deleterious matter admitted from another stratum or from the surface of the ground;

5. willfully or negligently causing suffering or allowing Groundwater to escape into any river, creek, natural watercourse, depression, lake, reservoir, drain, sewer, street, highway, road or road ditch, or onto any land other than that of the Owner of the Well unless such discharge is authorized by the District, permit, Rule, or order issued by the Texas Commission on Environmental Quality (TCEQ) under Chapter 26 of the Texas Water Code;

6. Groundwater pumped for irrigation that escapes as irrigation tailwater onto land other than that of the Owner of the Well unless permission has been granted by the occupant of the land receiving the discharge;

7. Groundwater discharged through an irrigation sprinkler onto public roads; or onto land other than that of the Owner of the Well unless

permission has been granted by the Owner of the land receiving the discharge; or,

8. for Water produced from an artesian Well, "waste" has the meaning assigned by § 11.205 of the Water Code.

CHAPTER 10
DEPOSITS AND FEES

10.1. **Board Sets Deposits and Fees:** The Board shall establish the amount of deposits and fees, and establish any refund policies.

10.2. **Fees for Administrative Services:** The Board may establish the amount of fees to be charged for administrative services of the District, including, without limitation, a Request for Exception Hearing and a Show Cause Hearing, which include, without limitation: court reporter fees; reasonable costs for providing copies of documents, reports, records, and minutes or other information of the District, and costs of formal notices, including certain publication costs required under Chapter 11 of these Rules.

10.3. **Permit Fees and/or Deposits:** The Board may establish the amount of fees or deposits to be charged for permits and registrations.

10.4. **Expedited Permit Fees:** In addition to the normal permit fee, an expedited permit administrative fee may be charged for expedited Well Permits.

10.5. **Fees for In-District Field Services:** The Board may establish the amount of fees or deposits to be charged for in-District field services. The District will not provide field services to Well Owners or operators of Wells within the District if the Owner's Wells are not in compliance with District Rules. Fees for in-District field services are non-refundable.

10.6. **Fees for Out-of-District Field Services:** The District will not provide field services to Well Owners or operators of Wells outside of the District except when the General Manager determines that the service is beneficial to the District.

10.7. **Export Fees:** A fee shall be charged for Groundwater produced within the District and Exported to an area outside of the boundaries of the District. Export fees are non-refundable. The Annual fee shall be:

1. A rate equivalent to the District's tax rate per hundred dollars of valuation multiplied by each thousand gallons of Water Exported out of the District. The rate will be adjusted each Year based on the adopted tax rate of the District for the previous Year;

2. Calculated using the sum of the production amount from the Meters located on each Well; and

3. The fee may be paid on a monthly or an Annual basis as determined by the Board.

10.8. **Production Fees: Priority Groundwater Management Areas ("PGMAs"):** Production Fees for 2015 for the Dallam County PGMAs added to the District in 2012 shall be:

1. Agriculture production: One Dollar ($1.00) per Acre-foot of non-exempt Groundwater produced for agricultural purposes for the Year 2015; and

2. All other non-exempt Groundwater production: Five Dollars ($5.00) per Acre-foot of Groundwater produced for the Year 2015;

3. After 2015, the Board of Directors may adjust Production Fees Annually under the provisions of Texas Water Code, § 35.013(g-1);

4. The District shall provide reasonable notice of the Production Fees to be assessed for the Year 2015 and each Year thereafter to the PGMA Groundwater right Owners;

5. Production Fee billings shall be based on the actual Groundwater production reported to the District for the Year 2015 and each Year thereafter; and

6. Beginning Year 2016 (for the Groundwater production Year 2015), and each Year thereafter, the District shall submit, on or before May 1st of each respective Year, a Production Fee invoice to each non-Exempt Well Owner in the PGMAs which shall be due and payable on or before September 1st of each respective Year.

10.9. **Amendment to Deposits and Fees:** Upon public notice, the Board may change the amount of any deposit or fee.

CHAPTER 11
HEARING PROCEDURES

Commentary to Chapter 11

The District conducts four general types of hearings: hearings on applications for exception to the District's Rules; hearings involving contested matters in which the rights, duties, or privileges of a Person are determined after an opportunity for an adjudicative hearing; rulemaking hearings involving matters of general applicability that implement, interpret, or prescribe the law, or that describe the procedure or practice requirements of the District; and show cause hearings which are held pursuant to a Show Cause Order for a Person to appear before the Board and Show Cause why such Person's operating authority or permit should not be suspended, canceled or otherwise restricted and limited, and/or why such Person should not be subject to an injunction or civil penalties as set forth in these Rules for failure to comply with the Rules, Orders or regulations of the Board or the relevant statutes of the State of Texas.

11.1. General Procedures for all District Hearings:

1. Hearing Registration: Each Person who attends a hearing shall submit a hearing registration form stating:

    A. the Person's name;

    B. the Person's address;

    C. whom the Person represents, if the Person is not there in the Person's individual capacity; and,

    D. whether the Person wishes to testify.

2. **Conduct and Decorum:** Every Person participating in or observing a meeting of the Board of Directors, a hearing, or other associated proceeding, must conform to ethical standards of conduct and exhibit courtesy and respect for all other participants or observers. No Person may engage in any activity during a proceeding that interferes with the orderly conduct of District business. If, in the judgment of the presiding officer, a Person is acting in violation of this provision, the presiding officer will first warn the Person to refrain from engaging in such conduct. Upon further violation by the same Person, the

presiding officer may exclude that Person from the proceeding for such time and under such conditions as the presiding officer deems necessary.

3. **Continuances:** The presiding officer may continue hearings from time to time and from place to place without the necessity of publishing, serving, mailing or otherwise issuing any new notices. If a hearing or other proceeding is continued and a time and place for the hearing to reconvene are not publicly announced at the hearing by the presiding officer before it is recessed, a notice of any further setting of the hearing or other proceeding must be served at a reasonable time to all parties and any other Person the presiding officer deems appropriate. It is not necessary to post notice of the new setting at the county courthouses or to publish such notice in a newspaper.

4. **Alignment of Parties; Number of Representatives Heard:** Participants in a proceeding may be aligned according to the nature of the proceeding and their relationship to it. The presiding officer may require the participants of an aligned class to select one or more Persons to represent them in the proceeding, or on any particular matter or ruling, and may limit the number of representatives heard, but must allow at least one representative of an aligned class to be heard in the proceeding, or on any particular matter or ruling.

5. **Appearance:** The Applicant, protestant, or any party requesting the hearing, or a representative, should be present at the hearing. Failure to appear may be grounds for withholding consideration of a matter and dismissal without prejudice, or may require the rescheduling or continuance of the hearing, if the presiding officer deems it necessary in order to fully develop the record.

6. **Filing of Documents; Time Limit:** Applications, motions, exceptions, communications, requests, briefs, or other papers and documents required to be filed under these Rules, or by law, must be received in hand at the District's office within the time limit, if any, set by these Rules, or by the presiding officer for filing. Mailing within the time period is insufficient, if the submissions are not actually received by the District within the time limit.

7. **Broadening the Issues:** No Person will be allowed to appear in any hearing or other proceeding that, in the opinion of the presiding

officer, is for the sole purpose of unduly broadening the issues to be considered in the hearing or other proceeding to matters that are not material or relevant to the matter that is the subject of the hearing.

8. **Changed Conditions:** The decision of the Board on any matter contained herein may be reconsidered by it on its own motion or upon motion showing changed conditions, or upon the discovery of new or different conditions or facts after the hearing or decision on such matter. If the Board should decide to reconsider a matter after having announced a ruling or decision, or after having finally granted or denied the application, it shall give notice to Persons who were proper parties to the original action, and such Persons shall be entitled to a hearing thereon if they file a request therefor within fifteen (15) days from the date of the mailing of such notice.

9. **Methods of Service Under the Rules:** Except as otherwise expressly provided in these Rules, any notice or documents required by these Rules to be served or delivered may be delivered to the recipient, or the recipient's authorized representative, in person, by agent, by courier receipted delivery, by certified mail sent to the recipient's last known address, or by facsimile ("fax") document transfer to the recipient's current fax number. Service by mail is complete upon deposit in a post office or other official depository of the United States Postal Service. Service by fax is complete upon transfer, except that any transfer occurring after 5:00 p.m. will be deemed complete on the following business day. If service or delivery is by mail, and the recipient has the right, or is required, to do some act within a prescribed time after service, three days will be added to the prescribed period. Where service by one or more methods has been attempted and failed, the service is complete upon publication of notice in a newspaper having general circulation in the District.

10. **Computing Time:** In computing any period of time prescribed or allowed by these Rules, by Order of the Board, or by any applicable statute, the day of the act, or event of default from which the designated period of time begins to run, is not to be included, but the last day of the period so computed is to be included, unless it is a Saturday, Sunday or legal holiday, in which event the period runs until the end of the next day which is neither a Saturday, Sunday, nor a legal holiday.

11.2. **Exception to the Rules:**

1. Any Applicant desiring an exception to any Rule shall file a signed and verified written application with the District at its principal office stating:

   A. the nature of the exception requested;

   B. the Rule number(s) and Paragraph(s) or sub-paragraph(s);

   C. the justification for granting the exception;

   D. any information that the Applicant deems appropriate in support of the application; and

   E. Cash deposit of funds sufficient to pay costs to be incurred by the District in processing the exception request. Any unused funds so deposited will be refunded to the Applicant at the conclusion of the hearing.

2. Any application for exception must be in writing and one original of the written application for an exception shall be submitted with any required filing fee to the District at its principal office.

3. All applications for exceptions shall be heard and considered by the Board at a Board meeting, within sixty (60) days after submittal. At least ten (10) days prior to the hearing, the General Manager shall:

   A. post the notice in a place readily accessible to the public in the principal office of the District;

   B. provide the notice to the county clerk of each county in the District for public posting in each respective courthouse;

   C. publish one notice to the public in a newspaper in general circulation within the District; and

   D. provide the notice by regular mail to:

      (1) the Applicant; and,

(2) known interested Persons, including, without limitation, those Persons defined by TWC, § 36.119(b), whose rights may be affected by the exception requested, including all governmental agencies having concurrent jurisdiction.

4. The presiding officer shall conduct the exception request hearing in the manner the presiding officer determines to be most appropriate to obtain information and testimony relating to the exception request as conveniently and expeditiously as possible without prejudicing the rights of any Person at the hearing. The presiding officer may limit the number of witnesses and may limit the time witnesses may testify at an exception request hearing.

5. The Board shall enter an order granting or denying an application for exception, with such conditions as it shall deem proper not later than the 35th day after the date the hearing on the application for exception is concluded.

6. If the application for exception to the Rules is denied or modified by the Board, the Applicant may request a rehearing as provided in these Rules.

7. **Request for Rehearing:** An Applicant may request a rehearing before the Board not later than 30 days after the date of the Board's order on any application for exception to the Rules.

   A. A request for rehearing must be filed in writing in the principal office of District and must state the grounds for the request.

   B. If the Board grants a request for rehearing, the Board shall schedule the rehearing not later than the 45th day after the date the request is granted.

   C. The failure of the Board to grant or deny a request for rehearing before the 45th day after the date the request is submitted constitutes a denial of the request.

8. **Decision; When Final:** A decision by the Board on an application for exception to the Rules is final:

   A. on the expiration of the period for filing a request for rehearing, if a request for rehearing is not timely filed; or

B. if a request for rehearing is timely filed, on the date:

(1) the Board denies the request for rehearing; or

(2) the Board renders a decision after rehearing.

11.3. **Contested Matters:**

1. Applicability: This Rule applies to the notice and hearing process used by the District for all contested matters pending before the Board including, without limitation, contested permit applications, contested permit amendment applications, and contested Allowable Annual Production limits.

2. **Notice of Protest:** If a Person should desire to contest or oppose any pending matter before the Board, one original of a written notice of protest shall be filed with the District at its principal office. Any protest must be filed with the Board either prior to, or within 30 days after, the Board has issued a final decision, ruling, or order on the matter being protested.

3. **Protest Requirements:** Protests shall be verified and submitted in writing with a duplicate copy to any known opposing party or parties and shall comply in substance with the following requirements:

A. Each protest shall show the name and address of the protestant;

B. Each protest must set forth all allegations of injury to the protestant which may result from: a proposed action or matter to be considered by the Board; or the Board's final decision, ruling, or order on a matter;

C. If a protest is based upon a claim of interference with some present right of the protestant, it shall state the basis of the protestant's claim;

D. Each protest shall identify any resolution that would result in withdrawal of the protest; and

E. The facts stated in each protest shall be verified by affidavit.

4. **Contested Applications or Proceedings Defined:** An application, appeal, motion or proceeding pending before the Board is considered contested when a notice of protest is filed and the dispute cannot be peacefully resolved by the General Manager. The application or proceeding shall then be deemed a contested matter. In a contested case hearing any Applicant, intervener, or protestant shall be a party provided each is determined by the Board to have a justiciable interest in the contested matter as hereinafter provided.

5. **Evaluation of Protests:**

A. Except as provided in subsection 11.3.5.E., the General Manager will schedule the contested case hearing request for evaluation by a quorum of the Board. At least 30 days prior to the Board evaluation hearing, the General Manager will provide notice to the protestant and other Persons who have timely requested notice of the evaluation hearing. The Board may receive relevant oral testimony or documentary evidence at the Board evaluation hearing.

B. Persons may submit a written response to the contested hearing request no later than 10 days before the date at which the Board will evaluate the request. Responses shall be filed with and served on the General Manager, the protestants and any other Persons who have timely requested notice of the evaluation hearing. The response should address the question of whether the Person/Persons requesting the contested case hearing has/have a personal justiciable interest related to the matter at issue and not a person who only has an interest common to members of the public.

C. The Board will evaluate the contested hearing request at the scheduled Board evaluation hearing and will determine if any party appearing in, and/or requesting, the contested case hearing:

(1) has a personal justiciable interest relating to the matters at issue, refer the application to a contested case hearing, and admit the Person as a party to the hearing; or

(2) does not have a personal justiciable interest related to the proposed action or matter, deny the hearing request, and/or not admit the Person as a party to the hearing.

D. By way of example and not exclusion, a Person shall be deemed to have a justiciable interest if that Person owns Groundwater Rights within the District which rights may be directly affected by the decision of the Board on the contested matter.

E. The Board may delegate to a judge the evaluation of protests.

6. **Authority to Conduct Contested Case Hearings; Delegation; Applicable Procedural Rules; Presiding Officer:**

A. A quorum of the Board may conduct any contested case hearing.

B. By written order, the Board may also delegate the authority to conduct a hearing and refer the matter to an individual or a judge, including a State Office of Administrative Hearings (SOAH) administrative law judge. The individual, judge, or SOAH judge shall sometimes hereinafter be referred to as the "Presiding Officer" or the "Hearing Examiner."

C. Except for a hearing referred to the State Office of Administrative Hearings (SOAH), the procedures provided in this Chapter 11 apply to contested case hearings. If the Board refers a contested case hearing to SOAH, then the applicable rules of practice and procedure of SOAH (Title 1, Chapter 155, Tex. Admin. Code), as supplemented by these Rules, govern any contested case hearing of the District conducted by SOAH.

D. In contested case hearings before the Board, the President shall be the presiding officer. The President of the Board may delegate this function to another Board member. In hearings referred to an individual or a judge, the individual or the judge shall be the presiding officer.

E. If a contested case hearing is referred by the Board to an individual or a judge, the General Manager will prepare all documents necessary to assist the individual or the judge in preparing for the hearing.

F. Delegating to SOAH. If requested by the Applicant, protestant, or other party to a contested case, the District shall contract with SOAH to conduct the hearing. The party must file such a request not later than the 14th day before the date the evidentiary hearing is scheduled to begin. The Board order granting the contested case hearing may designate a location for the hearing inside the boundaries of the District or in Travis County at a location designated by SOAH. The party requesting the hearing before SOAH shall pay all costs associated with the contract for the hearing and shall, before the hearing begins, deposit with the District an amount sufficient to pay the contract amount. At the conclusion of the hearing, the District shall refund any excess money to the paying party. Any other unpaid SOAH related costs shall be assessed by the District to the responsible party.

7. **Authority of Presiding Officer:** The presiding officer may conduct a contested case hearing proceeding in the manner the presiding officer deems most appropriate for that particular proceeding. The presiding officer has the authority to:

A. set hearing dates;

B. convene the hearing at the time and place specified in the notice for hearing;

C. establish the jurisdiction of the District concerning the subject matter under consideration;

D. rule on motions and on the admissibility of evidence and amendments to pleadings;

E. designate and align parties and establish the order for presentation of evidence;

F. refer parties to an alternative dispute resolution procedure on any matter at issue in the hearing;

G. administer oaths to all Persons presenting testimony;

H. examine witnesses;

I. issue subpoenas in accordance with Rule 11.3.14., when required to compel the attendance of witnesses or the production of papers and documents;

J. compel discovery under these Rules;

K. ensure that information and testimony are introduced as conveniently and expeditiously as possible, without prejudicing the rights of any party to the proceeding;

L. conduct public hearings in an orderly manner, in accordance with these Rules;

M. prescribe reasonable time limits for testimony and the presentation of evidence;

N. recess any hearing from time to time and place to place;

O. re-open the record of a hearing for additional evidence, when necessary to make the record more complete; and,

P. exercise any other appropriate powers necessary or convenient, to effectively carry out the responsibilities of the presiding officer as provided in TWC 36.406.

8. A pre-hearing conference may be convened as provided in these Rules and be held at a date, time and place stated in the notice given in accordance with Rule 11.3.10., and may be continued from time to time and place to place, at the discretion of the presiding officer.

9. Action taken at a pre-hearing conference may be reduced to writing and made a part of the record, or may be stated on the record at the close of the conference.

10. **Notice of Contested Case Hearing:** The General Manager shall give notice of each hearing.

A. The notice must include:

(1) the names of the parties;

(2) the address or approximate location of any Wells or proposed Wells involved in the dispute;

(3) a brief explanation of the contested matter;

(4) the time, date, and location of the hearing; and,

(5) any other information the General Manager or Board considers relevant and appropriate.

B. Not later than the 10th day before the date of a hearing, the General Manager shall:

(1) post the notice in a place readily accessible to the public in the principal office of the District;

(2) provide the notice to the county clerk of each county in the District for public posting in each respective courthouse;

(3) publish notice to the public in a newspaper in general circulation within the District; and,

(4) provide the notice by regular mail to:

a. all parties in the contested case; and,

b. any other Person entitled to receive notice under the Rules of the District.

11. **Time and Place of Hearing:** A contested case hearing may be held in conjunction with any meeting of the Board, or a separate proceeding may be convened apart from a Board meeting for the purpose of holding a hearing.

12. **Affidavits:** Whenever the making of an affidavit by a party to a hearing or other proceeding is necessary, it may be made by the party or the party's representative or counsel. This rule does not dispense with the necessity of an affidavit being made by a party when expressly required by statute or these Rules.

13. **Discovery:** Discovery will be conducted upon such terms and conditions, and at such times and places, as directed by the presiding officer. Unless specifically modified by this Chapter 11, or by order of the presiding officer, discovery will be governed by, and subject to the limitations set forth in, the Texas Rules of Civil Procedure. In addition to the forms of discovery authorized under the Texas Rules of Civil Procedure, the parties may exchange informal requests for information, either by agreement or by order of the presiding officer.

14. **Subpoenas and Depositions:**

A. Requests for issuance of subpoenas in a contested case shall be in writing and directed to the presiding officer.

B. A party requesting the issuance of a subpoena shall file an original and one copy of the request with the presiding officer.

C. If good cause is shown for the issuance of a subpoena, the presiding officer shall issue the subpoena in accordance with § 2001.089 of the Texas Government Code.

D. **Issuance of a Commission Requiring a Subpoena or Deposition:**

(1) On its own motion or on the written request of a party to a contested case pending before it, and on deposit of an amount that will reasonably ensure payment of the amount estimated to accrue under § 2001.103 of the Texas Administrative Procedures Act, a state agency shall issue a commission, addressed to the officers authorized by statute to take a deposition, requiring that the deposition of a witness be taken.

(2) The commission shall authorize the issuance of any subpoena necessary to require that the witness appear and produce, at the time the deposition is taken, books, records, papers, or other objects that may be necessary and proper for the purpose of the proceeding.

(3) The commission shall require an officer to whom it is addressed to:

a. examine the witness before the officer on the date and at the place named in the commission; and

b. take answers under oath to questions asked the witness by a party to the proceeding, the state agency, or an attorney for a party or the agency.

(4) The commission shall require the witness to remain in attendance from day to day until the deposition is begun and completed.

15. **Ex Parte Communications:**

A. For applications for which there is a right to a contested case hearing, a member of the Board may not, at any time after the application has been filed and before the Board has taken final action, communicate, directly or indirectly, about any issue of fact or law with any representative of the District or other designate party to the application, except on notice and opportunity for all parties to participate.

B. Subsection A. does not apply if:

(1) the Board member abstains from voting on a matter in which he or she engage in ex parte communications;

(2) the communications are by and between members of the Board consistent with the Texas Open Meetings Act;

(3) the communications are with District staff who have not participated in any hearing in the contested case for the purpose of using the special skills or knowledge of the staff in evaluating the evidence; or

(4) the communications are with legal counsel representing the Board of Directors.

16. **Evidence:** Except as modified by this Chapter 11, the Texas Rules of Evidence govern the admissibility and introduction of evidence. However, evidence not admissible under the Texas Rules of Evidence

may be admitted if it is of the type commonly relied upon by reasonably prudent persons in the conduct of their affairs and is not precluded by statute. In addition, evidence may be stipulated by agreement of all parties.

17. **Written Testimony:** When a proceeding will be expedited and the interests of the parties not substantially prejudiced, testimony may be received in written form. The written testimony of a witness, either in narrative or question and answer form, may be admitted into evidence upon the witness being placed under oath and identifying the testimony as a true and accurate record of what the testimony would be if given orally. The witness will be subject to clarifying questions and to cross-examination, and the prepared testimony will be subject to objection.

18. **Requirements for Exhibits:** Exhibits of a documentary character must be of a size that will not unduly encumber the files and records of the District. All exhibits must be numbered and, except for maps and drawings, may not exceed 8½ by 11 inches in size.

19. **Abstracts of Documents:** When documents are numerous, the presiding officer may receive in evidence only those that are representative and may require the abstracting of relevant data from the documents and the presentation of the abstracts in the form of an exhibit. Parties shall have the right to examine the documents from which the abstracts are made.

20. **Introduction and Copies of Exhibits:** Each exhibit offered shall be tendered for identification and placed in the record. Copies must be furnished to the presiding officer and to each of the parties, unless the presiding officer rules otherwise.

21. **Excluding Exhibits:** If an exhibit has been identified, objected to, and excluded, it may be withdrawn by the offering party. If withdrawn, the exhibit will be returned and the offering party waives all objections to the exclusion of the exhibit. If not withdrawn, the exhibit shall be included in the record for the purpose of preserving the objection to excluding the exhibit.

22. **Official Notice:** The presiding officer may take official notice of all facts judicially cognizable. In addition, official notice may be taken of

generally recognized facts within the area of the District's specialized knowledge.

23. **Documents in District Files:** Extrinsic evidence of authenticity is not required as a condition precedent to admissibility of documents maintained in the files and records of the District.

24. **Oral Argument:** At the discretion of the presiding officer, oral arguments may be heard at the conclusion of the presentation of evidence. Reasonable time limits may be prescribed. The presiding officer may require or accept written briefs in lieu of, or in addition to, oral arguments. For a contested case conducted under Rule 11.3.6.B (Board Delegation of Authority to Conduct a Hearing), when the matter is presented to the Board for final decision, further oral arguments may be heard by the Board.

25. **Reporting:**

A. Contested case hearings, and associated proceedings, will be recorded by the District on audio cassette tape or, at the discretion of the presiding officer, may be recorded by a certified shorthand or court reporter. The District will not prepare transcriptions of hearings recorded on audio cassette tape on District equipment for the public, but will arrange for a party to have access to the recording.

B. Subject to availability of space, any party may, at its own expense, arrange for a reporter to transcribe or record the hearing.

C. Upon the timely request of any party, or at the discretion of the presiding officer, the presiding officer may assess reporting and transcription costs to one or more of the parties. The presiding officer will consider the following factors in assessing reporting and transcription cost:

(1) the party who requested the transcript;

(2) the financial ability of the party to pay the costs;

(3) the extent to which the party participated in the hearing;

(4) the relative benefits to the various parties of having a transcript;

(5) the budgetary constraints of a governmental entity participating in the proceedings; and,

(6) any other factor that is relevant to a just and reasonable assessment of costs.

D. In any proceeding where the assessment of reporting or transcription cost is at issue, the presiding officer will provide the parties an opportunity to present evidence and argument on the matter. A recommendation regarding the assessment of costs will be included in the presiding officer's report to the Board.

E. If a proceeding other than a contested case hearing is recorded by a reporter and a copy of the transcript of testimony is requested by any Person, the testimony will be transcribed and the original transcript filed with the papers of the proceeding at the expense of the Person requesting the transcript of testimony.

F. Copies of the transcript of testimony of any hearing, or other proceeding may be purchased from the reporter.

26. **Informal Hearings:** Contested case hearings may be conducted informally when, in the judgment of the presiding officer, the conduct of a proceeding under informal procedures will result in a savings of time or cost to the parties, lead to a negotiated or agreed settlement of facts or issues in controversy, not prejudice the rights of any party, and is not objected to by any party. The procedures to be used during such informal hearing shall be established in an order of the presiding officer and the agreement of each party shall be indicated on the order. If during an informal proceeding, all parties do not reach a settlement to resolve the matters in controversy, the proceeding may be referred to alternative dispute resolution by the presiding officer. A party may present evidence or arguments for the presiding officer to consider as to why alternative dispute resolution is not appropriate.

27. **Decision to Proceed to Formal Hearing:** If the parties do not reach a settlement to resolve the matters in controversy, and the presiding officer determines that settlement is not likely, then the presiding officer may void the order to proceed under informal procedures and order the case to proceed under the formal procedural Rules provided in this Chapter.

28. **Agreement of Parties; Remand to Board:**

A. No agreement between parties or their representatives affecting any pending matter will be considered by the presiding officer unless it is in writing, signed, and filed as part of the record, or unless it is announced at the hearing and entered of record.

B. An agreed disposition of a contested case may be made by stipulation, settlement, consent order, or the withdrawal of all requests for a contested case hearing so that no facts or issues remain controverted. Except for contested cases conducted under Rule 11.3.6.A., upon settlement of a matter, the presiding officer shall remand the matter to the Board. If the Person requesting the contested case hearing defaults, then the presiding officer may also deem the request for a contested case hearing to have been withdrawn by the Person and remand the case to the Board. Applications remanded under this section will be considered to be an uncontested application. The presiding officer will summarize the evidence, including findings of fact and conclusions of law based on the existing record and any other evidence submitted by the parties at the hearing. Any stipulations, settlements, consent orders, withdrawals of requests for contested case hearing, orders, findings of default, presiding officer summary of the proceedings, and other relevant documents will be presented to the Board for its consideration.

29. **Alternative Dispute Resolution:**

A. **Policy:** It is the District's policy to encourage the resolution and early settlement of all contested matters through voluntary settlement procedures.

B. **Participants:** The following may be participants in any mediation of a contested-case:

(1) the General Manager,

(2) the Applicant, and,

(3) the Persons who timely filed contested-case hearing requests which gave rise to the dispute, or

(4) if parties have been named, the named parties.

C. **Conduct of Mediation:**

(1) Mediation is a consensual process in which an impartial third party, the mediator, facilitates communication between the participants to promote reconciliation, settlement, or understanding among them. A mediator may not impose his or her own judgment on the issues for that of the participants. The mediator must be acceptable to all participants.

(2) The mediation is subject to the provisions of the Governmental Dispute Resolution Act, Government Code, Chapter 2009, as amended. For purposes of this subchapter, "mediation" is assigned the meaning set forth in the Civil Practice and Remedies Code, §154.023.

(3) To facilitate a meaningful opportunity for settlement, the participants shall, to the extent possible, select representatives who are knowledgeable about the dispute, who are in a position to reach agreement, or who can credibly recommend approval of an agreement.

D. **Arrangements for Mediation.**

(1) Any Board or presiding officer referral of a disputed matter to mediation or any agreement by the participants to mediate should include consideration of the following factors:

a. the source of the mediator;

b. the time period for the mediation. The participants should allow enough time in which to make arrangements with the mediator and attending participants to schedule the mediation, to attend and participate in the mediation, and to complete any settlement approval procedures necessary to achieve final settlement;

c. the location of the mediation;

d. allocation of costs of the mediator;

e. the identification of representatives who will attend the mediation on behalf of the participants; and

f. the settlement approval process in the event the participants reach agreement at the mediation.

E. **Confidentiality of Mediation and Final Settlement Agreement:**

(1) A mediation conducted under this Rule is confidential in accordance with Government Code, §2009.054.

(2) The confidentiality of a final settlement agreement to which a governmental body is a signatory that is reached as a result of the mediation is governed by Government Code, §552.103.

F. **Costs of Mediation:** Unless the participants agree otherwise, each participant shall be responsible for its own costs incurred in connection with the mediation, including costs of document reproduction for documents requested by such participant, attorney's fees, and consultant or expert fees. In addition, unless the participants agree otherwise, the costs of the mediation process itself shall be divided equally between the participants.

G. **Initial Settlement Agreement:** Any settlement agreement reached during the mediation shall be signed by the participants, and shall describe any procedures required to be followed by the participants in connection with final approval of the agreement.

H. **Final Settlement Agreement:** A final settlement agreement reached during, or as a result of mediation, that resolves the disputed issues or any portion of the disputed issues shall be in writing and signed by representatives of the participants who have authority to bind each respective participant. Agreements of the participants reached as a result of alternative dispute resolution are enforceable in the same manner as any other written contract.

(1) If the final settlement agreement does not resolve all disputed issues regarding the permit application at issue, the agreement shall identify the issues that are not resolved.

(2) As part of a final settlement agreement, the Persons requesting a contested-case hearing may agree to submit a letter to the Board stating that their hearing request will be withdrawn subject to the Board including in the proposed permits certain provisions or modifications agreed upon by the participants.

(3) If the Applicants and all Persons requesting a hearing reach a negotiated or agreed settlement, that settles all the facts or issues in controversy, the proceeding will be considered an uncontested case and the General Manager will summarize the evidence for the Board, including findings of fact and conclusions of law based on the existing record and any other evidence that may have been submitted by the parties at the hearing. The General Manager may request that the Applicants provide an initial draft of the findings of fact and conclusions of law.

(4) The Board is not bound by any agreement entered into by the parties and has discretion to accept, reject, or require modifications as a condition of approval of any

final agreement of the parties that concerns a matter under the District's authority. In the event that the Board rejects an agreement or requires certain modifications as a condition of approval, the Board may refer the case for further mediation or an informal process guided by the General Manger. The parties, in the instance of rejection or suggested modification by the Board, may also elect to resolve unsettled issues through the contested-case process.

30. **Remaining Issues:**

A. If mediation does not resolve all issues raised by the parties requesting a contested-case hearing, then the Board will conduct a contested-case hearing on any remaining issues.

B. When alternative dispute resolution procedures do not result in the full settlement of a contested matter, the parties are encouraged to use the mediation process to identify resolved issues, unresolved issues and develop stipulations. The parties shall attempt to limit contested issues through the entry of written stipulations. Such stipulations shall be forwarded or formally presented to the Board or a Hearing Examiner assigned to conduct the hearing on the merits and shall be included in the hearing record.

31. **Pre-hearing Conference:** A pre-hearing conference may be held to consider any matter that may expedite the hearing or otherwise facilitate the hearing process.

A. Matters Considered. Matters that may be considered at a pre-hearing conference include, but are not limited to:

(1) designation of parties;

(2) additional formulation and simplification of issues;

(3) referral of parties to an alternative dispute resolution procedure;

(4) necessity or desirability of amending applications or other pleadings;

(5) possibility of making admissions or stipulations;

(6) establishing a discovery control plan;

(7) identification of and specification of the number of witnesses;

(8) filing and exchange of prepared testimony and exhibits; and

(9) establishing procedure at the hearing.

B. A pre-hearing conference may be held at a date, time, and place stated in the notice provided to those Persons entitled to notice pursuant to Rule 11.3.10.B and may be continued from time to time and place to place, at the discretion of the presiding officer.

C. **Conference Action:** Action taken at a pre-hearing conference may be reduced to writing and made a part of the record, or may be stated on the record at the close of the conference.

32. **Designation of Parties:** Parties to a hearing may be designated on the first day of hearing, or at such other time as the presiding officer determines. The General Manager and any Person specifically named in a matter are automatically designated parties. Persons determined to have a justiciable interest by Board order in a determination of a contested-case hearing request pursuant to Rule 11.3.5 are also automatically designated as parties. After parties are designated, no other Person may be admitted as a party unless, in the judgment of the presiding officer, good cause exists and the hearing will not be unreasonably delayed.

33. **Rights of Designated Parties:** Subject to the direction and orders of the presiding officer, parties have the right to conduct discovery, present a direct case, cross-examine witnesses, make oral and written arguments, obtain copies of all documents filed in the proceeding, receive copies of all notices issued by the District concerning the proceeding, and otherwise fully participate in the proceeding.

34. **Persons Not Designated Parties:** At the discretion of the presiding officer, Persons not designated as parties to a proceeding may submit comments or statements, orally or in writing. Comments or statements submitted by non-parties may be included in the record to inform the Board regarding various concerns or issues related to the proceeding and may be considered as evidence if corroborated by sworn testimony or exhibits properly admitted into evidence by a party.

35. **Furnishing Copies of Pleadings:** After parties have been designated, a copy of every pleading, request, motion, or reply filed in the proceeding must be provided by the author to every other party or the party's representative. A certification of this fact must accompany the original instrument when filed with the District. Failure to provide copies may be grounds for withholding consideration of the pleading or the matters set forth therein.

36. **Interpreters for Deaf Parties and Witnesses:** If a party or subpoenaed witness in a contested case is deaf, the party who subpoenaed the witness will provide an interpreter whose qualifications are approved by the State Commission for the Deaf and Hearing Impaired to interpret the proceedings for that Person. "Deaf Person" means a person who has a hearing impairment, whether or not the person also has a speech impairment that inhibits the person's comprehension of the proceedings or communication with others.

37. **Agreements to be in Writing:** No agreement between parties or their representatives affecting any pending matter will be considered by the presiding officer unless it is in writing, signed, and filed as part of the record, or unless it is announced at the hearing and entered of record.

38. **Certified Questions:**

    A. In hearings before a Hearing Examiner, at any time during the contested case proceeding, on a motion by a party or on the Hearing Examiners' own motion, the Hearing Examiner may certify a question to the Board.

    B. Issues regarding District policy, jurisdiction or the imposition of any sanction by the Hearing Examiner that would substantially impair a party's ability to present its case are appropriate for

certification. Policy questions for certification purposes include, but are not limited to:

(1) the Board's interpretation of its Rules and applicable statutes;

(2) the rules or statutes which are applicable to a proceeding; and

(3) the Board's policy or whether a Board policy should be established or clarified as to a substantive or procedural issue of significance to the proceeding.

C. If a question is certified, the Hearing Examiner shall submit the certified issue to the General Manager. The General Manager shall place the certified issue on the agenda of the earliest possible meeting of the Board that is not earlier than 20 days after its submission, in compliance with the Open Meetings Act and other applicable law. The General Manager shall give the Hearing Examiner and parties' notice of the meeting at which the certified question will be considered. Within ten days after the certified question is filed, parties to the proceeding may file briefs on the certified question. Within ten days of the filing of such briefs, parties may file responses to such brief. Briefs and responses shall be filed with the docket clerk with copies served on the Hearing Examiner. The General Manager shall provide copies of the certified questions and any briefs and responses to the general counsel and to each Board member. The Hearing Examiner may abate the hearing until the Board answers the certified question, or continue with the hearing if the Hearing Examiner determines that no party will be substantially harmed. The process for seeking Board answers to certified questions shall be considered as part of the contested-case hearing process.

D. The Board shall issue a written decision on the certified issue within 30 days following the meeting at which the certified issue is considered. A decision on a certified issue is not subject to a motion for rehearing, appeal or judicial review prior to the issuance of the Board's final decision in the proceeding.

39. **Conclusion of the Hearing:**

A. **Hearings Before the Board:**

(1) **Closing the Record:** At the conclusion of the presentation of evidence and any oral argument, the presiding officer may either close the record or keep it open and allow the submission of additional evidence, exhibits, briefs, or proposed findings and conclusions from one or more of the parties. No additional evidence, exhibits, briefs, or proposed findings and conclusions may be filed unless permitted or requested by the presiding officer.

(2) Time for Board Action. In the case of hearings before the Board, the Board must act by issuing a written order, within 35 calendar days after the close of the hearing record. This time limitation may be extended by the Board if permitted by Chapter 36 of the Texas Water Code.

B. **Hearings Before a Hearing Examiner:**

(1) **Closing the Record; Final Report:** At the conclusion of the presentation of evidence, and any oral argument, the Hearing Examiner may either close the record or keep it open and allow the submission of additional evidence, exhibits, briefs, or proposed findings and conclusions from one or more of the parties. No additional evidence, exhibits, briefs, or proposed findings and conclusions may be filed unless permitted or requested by the presiding officer. After the record is closed, the Hearing Examiner shall prepare a report to the Board. The report will include a summary of the evidence, together with the Hearing Examiner's findings and conclusions and recommendations for action. Upon completion and issuance of the Hearing Examiner's report, a copy will be submitted to the Board and delivered to each party to the proceeding. In a contested case, delivery to the parties will be by certified mail with return receipt requested.

(2) **Exceptions to the Hearing Examiner's Report; Reopening the Record:** Prior to Board action, any party in a contested case heard by a Hearing Examiner may file written exceptions to the Hearing Examiner's report, and any party in an uncontested case may request an opportunity to make an oral presentation of exceptions to the Board. Upon review of the report and exceptions, the Hearing Examiner may reopen the record for the purpose of developing additional evidence, or may deny the exceptions and submit the report and exceptions to the Board. The Board may, at any time and in any case, remand the matter to the Hearing Examiner for further proceedings.

(3) **Time for Board Action:** In the case of hearings before a Hearing Examiner, the Hearing Examiner's report will be submitted to the Board and delivered to all parties. Thereupon, the Board shall declare that all proceedings involving the Hearing Examiner have been concluded, subject to the exception provision of the foregoing subparagraph. The Board must act by written order within 35 days after the Board declares that all proceedings involving the Hearing Examiner have been concluded.

40. **Request for Rehearing:** An Applicant may request a rehearing before the Board not later than 30 days after the date of the Board's order on any contested matter.

A. A request for rehearing must be filed in writing in the principal office of district and must state the grounds for the request.

B. If the Board grants a request for rehearing, the Board shall schedule the rehearing not later than the 45th day after the date the request is granted.

C. The failure of the Board to grant or deny a request for rehearing before the 45th day after the date the request is submitted constitutes a denial of the requests.

41. **Decision; When Final:** A decision by the Board on a contested matter is final:

A. on the expiration of the period for filing a request for rehearing, if a request for rehearing is not timely filed; or

B. if a request for rehearing is timely filed, on the date:

(1) the Board denies the request for rehearing; or

(2) the Board renders a decision after rehearing.

11.4. **Rulemaking Notice and Hearing Procedures:**

1. Not later than the 20th day before the date of a rulemaking hearing, the General Manager shall:

A. post notice in a place readily accessible to the public in the principal office of the District;

B. provide notice to the county clerk of each county in the District for public posting in each respective courthouse;

C. publish notice of the proposed rules or the proposed rule revisions and the public hearing thereon in a newspaper of general circulation in the District once a week for two (2) consecutive weeks, with the first publication of notice being at least 20 days before the rulemaking hearing;

D. provide notice by mail, facsimile, or electronic mail to any person who has requested such notice under Chapter 36;

E. make available a copy of all proposed rules, or proposed rule revisions, at a place accessible to the public during normal business hours and post the proposed rules on the District's website; and

F. provide notice of the rulemaking hearing to the secretary of state to be posted on the Internet.

2. The notice provided under this Rule must include:

A. a statement of the intent of the District to adopt rules;

B. a statement of intent to conduct a public hearing to present the proposed rules and to receive public comment;

C. notice of the date, time, and place for the public hearing and a brief explanation of the subject of the rulemaking hearing;

D. the procedures for obtaining a copy of the proposed rules or the location or website at which the proposed rules can be reviewed and copied; and

E. the procedures for the submission of written or oral comments.

3. In rulemaking hearings before the Board, the President shall be the presiding officer. The President of the Board may delegate this function to another Board member, or the District's legal counsel.

4. Each Person who attends a rulemaking hearing shall submit a hearing registration form stating:

A. the Person's name;

B. the Person's address;

C. whom the Person represents, if the Person is not there in the Person's individual capacity; and

D. whether the Person wishes to testify.

5. The presiding officer shall conduct the rulemaking hearing in the manner the presiding officer determines to be most appropriate to obtain information and testimony relating to the proposed rule or rules as conveniently and expeditiously as possible without prejudicing the rights of any Person at the hearing. The presiding officer may limit the number of witnesses and may limit the time witnesses may testify at a rulemaking hearing. Comments may be submitted orally or in writing. The presiding officer may hold the record open for a specified period after the conclusion of the rulemaking hearing to receive additional written comments.

6. The presiding officer shall prepare and keep a record of each rulemaking hearing in the form of an audio or video recording or a court reporter transcription.

11.5 **Show Cause Orders and Hearings:**

1. The Board, either on its own motion or upon receipt of written protests or complaints, may at any time, after due notice to all interested parties, cite any Person operating within the District to appear before it and require that Person to show cause why such Person's operating authority or permit should not be suspended, canceled or otherwise restricted and limited, and/or why such Person should not be subject to an injunction or civil penalties as set forth in these Rules for failure to comply with the Rules and Orders of the Board or the relevant statutes of the State of Texas. Evidentiary and procedural matters at any such hearing will be conducted in accordance with these Rules.

CHAPTER 12
ENFORCEMENT OF RULES

12.1. **Enforcement of Rules:**

1. All Rules duly adopted, promulgated and published by this District shall be enforced as provided under Chapter 36, Texas Water Code as now, and hereafter amended.

2. The District may enforce its Rules by injunction, mandatory injunction, reduction of a Peron's Allowable Annual Production, suspension or termination of a Well Permit, or other appropriate remedy in a court of competent jurisdiction.

3. The Board may set reasonable civil penalties for breach of any Rule of the District that shall not exceed the limitations set forth in Chapter 36 of the Texas Water Code.

4. A civil penalty under this Chapter is in addition to any other penalty provided by the laws of this State and may be enforced by a complaint filed in a court of competent jurisdiction.

5. As a Rule enforcement procedure, the Board may negotiate a Settlement Agreement with any Person who is in violation of the District's Rules.

6. **Civil Penalties:** Civil penalties for violation of any Rules of the District shall not be less than $50, nor more than $25,000 per violation and each day of a continuing violation shall be deemed a separate violation.

CHAPTER 13
DEFINITIONS

13.1. **Definitions:** The words hereinafter defined shall have the following meaning in these Rules:

1. "**Acre-foot**" - The amount of Water necessary to cover one acre of land to the depth of one foot, or 325,851 U.S. gallons of Water.

2. "**Allowable Annual Production**" - An amount of Groundwater which may be produced from a Groundwater Production Unit under common ownership during a calendar Year.

3. "**Alternative Metering System**" - Any metering method approved for use in the District, other than District approved flow Meters.

4. "**Annual Production Report**" - The Annual report of Groundwater produced from a Groundwater Production Unit for the Year of the Report and submitted on forms specified by the District.

5. "**Applicant**" - A Person seeking action by the District such as requesting a permit or a hearing.

6. "**Authorized Well Site**" - The location of:

   A. A permitted Well that is in compliance with all applicable Rules of the District;

   B. A proposed Well for which there is a District approved permit; or

   C. An existing Well when the property was annexed into the District.

7. "**Aquifer**" - A saturated geological formation or a part of a formation or a group of formations capable of storing and yielding Groundwater in economically usable quantities.

8. "**Annual**", "**Annually**", "**Year**", "**Yearly**" and/or "**Per Year**" - A calendar year beginning on January 1 and ending on December 31.

9. "**Beneficial Use**" - Use for:

   A. agricultural, gardening, domestic, stock raising, municipal, mining, manufacturing, industrial, commercial, recreational, or pleasure purposes;

   B. solely supplying Water for a rig that is actively engaged in drilling or exploration operations for an oil or gas well permitted by the Railroad Commission of Texas provided that the Person holding the permit is responsible for drilling and operating the Water Well and the Water Well is located on the same lease or field associated with the drilling rig; or

   C. any other purpose that is useful and does not constitute waste.

10. "**Board**" - The governing body of the District which shall not consist of less than five or more than eleven Directors, elected for four-Year terms.

11. "**Capped Well**" - A Well that is properly covered in accordance with District Rules.

12. "**Casing**" - A watertight pipe installed in an excavated or drilled hole, temporarily or permanently, to maintain the borehole sidewalls against caving, and in conjunction with grouting, to confine the Groundwater to its respective zone or zones of origin and to prevent surface contaminant infiltration.

13. "**Central Collection Point**" - A structure or connection manifold in a Groundwater distribution system through which Water passes from multiple Wells.

14. **Confined Animal Feeding Operations ("CAFO")** - An animal feeding operation is a lot or facility, other than an aquatic animal production facility, where animals have been, are, or will be stabled or confined and fed or maintained for a total of 45 days or more in any 12-month period, and in which the animal confinement areas do not sustain crops, vegetation, forage growth, or post-harvest residues in the normal growing season over any portion of the lot or facility.

15. "**Contiguous**" – Touching or connected throughout in an unbroken sequence.

16. "**Conveyance**" - Any transfer of Groundwater Rights by deed, lease or assignment, whereby a right to capture Water is partially or completely severed from the surface of the property.

17. "**Desired Future Conditions**" **("DFC")** - A quantitative description, adopted in accordance with Texas Water Code § 36.108, of the desired condition of the Groundwater resources in a management area or its Management Zones at one or more specified future times.

18. "**Deteriorated Well**" - A Well that because of its condition, will cause or is likely to cause Pollution of any Water in the District, including Groundwater; or a Well that because of its condition poses a significant hazard to human health or safety. A Well is not Deteriorated if it meets criteria as follows:

    A. The Well contains the Casing, pump and pump column in good condition and is sealed to prevent Pollution to Groundwater; or

    B. The Well contains Casing in good condition and has been capped with covering that is not easily removed and is capable of sustaining weight of at least 400 pounds and is sealed to prevent the Pollution to Groundwater.

19. "**District**" - North Plains Groundwater Conservation District, maintaining its principal office in Moore County, Dumas, Texas.

20. "**Domestic Well**" - A Well used solely to provide Water for personal use by occupants of a residence, office building, warehouse, or similar structure with a capacity of not more than 50 occupants, that is drilled, completed or equipped so that it is incapable of producing more than 25,000 gallons of Groundwater a day.

21. "**Exempt Well**" - A Well that is not subject to specified provisions of the District Rules.

22. "**Export**" - The transfer of Groundwater from within the District to a delivery point outside of the District's boundaries.

23. **("GPM")** – Gallons per minute.

24. "**General Manager**" - The employee hired by the Board to manage the administrative affairs of the District. The General Manager is responsible for ensuring that the Rules, regulations, policies and procedures adopted by the Board are implemented. Unless the context indicates different when the term General Manager or Manager is used, it shall also be understood that the General Manager may designate another staff member to carry out part or all of each duty identified.

25. "**Global Positioning System**" **("GPS")** - A navigational system of signals from a network of satellites used to accurately determine locations on the earth's surface.

26. "**Groundwater**" - Water located beneath the earth's surface in soil or sediment pore spaces and in the fractures of rock formations.

27. "**Groundwater Conservation Reserve**" – An unused quantity of a current Year's Allowable Annual Production limit saved for future use on a Groundwater Production Unit by an Owner in accordance with District Rules.

28. "**Groundwater Management Area**" **("GMA")** - An area designated and delineated by the Texas Water Development Board as an area suitable for management of groundwater resources.

29. "**Groundwater Production Unit**" **("GPU")** - A defined acreage of Contiguous Groundwater Rights under common ownership which has been dedicated by the Owner to a specific Well or Well field for purposes of setting Allowable Annual Production Limits and filing the Owner's Annual Production Report.

30. "**Groundwater Reservoir**" - A specific subsurface water-bearing geologic unit or units having ascertainable boundaries and containing Groundwater.

31. "**Groundwater Rights**" - The number of acres from which a Person has acquired the right to capture Groundwater.

32. "**Illegal Well**: - A Well not in compliance with the Rules of the District.

33. "**Livestock Well**" – A Well used solely to provide Water for agricultural animals, including poultry, and/or recreational animals, including wild game, that is drilled, completed or equipped so that it is incapable of producing more than 25,000 gallons per day. A Well used to provide water for a CAFO is not a Livestock Well.

34. "**Management Zone**" - A geographical area within the boundaries of the District wherein the conditions in, or use of, the Aquifer may differ substantially from other geographic areas of the District.

35. "**Meter**" or "**Metering System**" - a District approved device or combination of devices or methods used to measure the production of Groundwater.

36. "**Modeled Available Groundwater**" **("MAG")** – the amount of Groundwater that the executive administrator of the Texas Water Development Board determines may be produced on an average Annual basis to achieve a Desired Future Conditions established under Texas Water Code § 36.108.

37. "**Monitor Well**" - a Well used to measure or observe the quality, quantity or movement of Groundwater or substances, elements, chemicals or fluids beneath the surface of the ground.

38. "**Owner**" - Includes any Person or other entity, public or private, which has the legal right to capture and produce Groundwater from a Groundwater Production Unit either by ownership, contract, lease, easement or any other legal estate in the Groundwater.

39. "**Person**" - any individual, partnership, trust, state agency, political subdivision, cooperative, corporation, limited liability company, or any other similar type entity.

40. "**Plugged**" - a complete and absolute sealing of the entire wellbore.

41. "**Pollution**" - the alteration of the physical, thermal, chemical or biological quality of, or the contamination of, water in the District that renders the water harmful, detrimental or injurious to humans, animal life, vegetation or property or to public health, safety or welfare, or impairs the usefulness or the public enjoyment of the water for any lawful purpose.

42. "**Production Fees**" - If a Priority Groundwater Management Area ("PGMA") is added to the District and the voters within the PGMA do not approve the assumption of the debts or taxes of the District, the Board shall assess Production Fees in the added territory based on the amount of groundwater actually withdrawn.

43. "**Property Line**" - the outer boundary of Groundwater Rights under common Ownership.

44. "**Reservation**" - the retaining of the right to capture Groundwater by a Person conveying the surface and/or a portion of the Groundwater Rights of a property.

45. "**Rule"** or "**Rules**" - in developing and adopting District Rules the District relied on § 36.101 of the Texas Water Code which provides that a district may make and enforce rules, including rules limiting groundwater production based on tract size or the spacing of wells, to provide for conserving, preserving, protecting, and recharging of groundwater or of a groundwater reservoir or its subdivisions in order to control subsidence, prevent degradation of water quality, or prevent waste of groundwater and to carry out the powers and duties provided by Chapter 36.

46. "**Section**" - the unit or subdivision of a block traditionally containing 640 acres more or less and having an assigned Section number. A Section may be any size and shape defined as a Section by the legal survey maps of the county or counties in which the real property is located.

47. "**Test Hole**" - any uncased hole drilled deeper than the top of any stratum containing Groundwater for the purpose of securing geological, hydrological or other information which may be obtained from the borehole.

48. "**Test Hole Permit**" - a completed form specified by the District authorizing a Test Hole be drilled in accordance with these Rules.

49. "**Texas Water Code**" **("TWC")** - refers to the laws which govern the use and disposition of Water in the state of Texas.

50. "**Water**" - is used synonymously with Groundwater.

51. "**Well**" or "**Water Well**" - any artificial excavation constructed for the purpose of exploring for or producing Groundwater that is in compliance with the District Rules.

52. "**Well Permit**" - a completed form specified by the District authorizing a Well to be drilled or operated in accordance with District Rules.

53. "**Well Registration**" - a completed form specified by the District which provides information either about an existing Well or a proposed Well that does not require a District Well Permit.

CHAPTER 14
EFFECTIVE DATE OF THESE RULES

14.1. On August 13, 2025, proposed revised rules 2.7, 2.10 and 12.1.6. were adopted by the Board of Directors of the District and shall then be effective September 1, 2025. Any Rules previously adopted by the Board of Directors of the District that are not repealed or revised hereby shall remain in full force and effect.

North Plains Groundwater Conservation District

By: _____
Daniel L Krienke, President, Board of Directors

ATTEST:

_____
Harold Grall, Secretary,
Board of Directors

_____
Bob B. Zimmer, Vice President,
Board of Directors

_____
Clinton Born, Director

_____
Justin Crownover, Director

_____
Mark Howard, Director

_____
Allan Frerich, Director