August 23, 2012

Texas Water Development Board (TWDB)
Contract Administration
Attn: Sanjeev Kalaswad
P.O. Box 13231
Austin, TX 78711-3231

Subject: Monthly Progress Report for June 2012 for Contract No.: 1004831106
Class I - Class II Injection Well Permitting Roadmap Project

Dear Sanjeev:

This letter presents the June 2012 project progress report as required by the referenced TWDB contract. During this period, there have not been any expenditures made or labor expended, so there are no payment submissions or requests made thus far for this project.

1. TWDB Contract Number: 1004831106

2. Total Expenses for Billing Period from June 1, 2012 through June 30, 2012: None

3. Total Services for this period: None

4. Total TWDB Share of Total Study Grant Funds: $130,000


Recent Project Activities:

Colin MaGahey (Poznecki-Camarillo, Inc.) and I met with Sanjeev Kalaswad and John Meyer of the Texas Water Development Board (TWDB) on June 27, 2012. The purpose of the meeting was to work with TWDB to locate a single Railroad Commission of Texas (RRCT) database that combines the GIS locational attributes with the three Class II UIC well types:
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- UIC Type 1: Disposal into a non-productive O&G zone (W-14 wells)
- UIC Type 2: Disposal into a productive O&G zone (H-1 and H-1A wells)
- UIC Type 3: Secondary Recovery (Injection wells)

The meeting concluded with a recommendation to meet directly with Doug Johnson, RRCT UIC Program Director to determine what database options are available for use. A meeting with Doug Johnson was scheduled for July 10, 2012.

Professional services were expended or billed to this project for this period in June 2012 (see below).  
**Task Description and Work Accomplished in June 2012 (% complete):**

Task 1 – Project Management: None (82%)

Task 2 – Identification and Completion Characteristics of Class II Wells in Study Area and in Texas: None (30%)

Task 3 – Evaluation of Class II Wells in the SAWS Study Area: SAWS and LBG-Guyton are working independently

Task 4 – Coordination with TCEQ (and RRCT): None (45%)

Task 5 – Develop Roadmap for Permitting Process: None (0%)

Task 6 – Manual for Permitting Process: None (0%)

Estimates for task completion are based on CDM Smith Current Period Charges Report (CPCR) for labor and expenses for this project through June 30, 2012.

Please let me know if you have any questions.

Sincerely,

Roger E. Schenk, Jr.
Principal Scientist  
CDM Smith Inc.
Texas TBPE Firm Registration No. F-3043