September 11, 2012

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

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

Dear Sanjeev:

This letter presents the August 2012 project progress report as required by the referenced TWDB contract. During this period, there have been expenditures made and labor expended, but 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 August 1, 2012 through August 31, 2012: $242 fee for RRCT Underground Injection Control (UIC) Well Bore database; $500 data conversion fee to ASCII format

3. Total Services for this period: None

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


Recent Project Activities:

Bill Mullican (Bill Mullican Associates), Colin MaGahey (Poznecki-Camarillo, Inc.), Erin McAuley and Melissa Woo (CDM Smith) and I met at the CDM-Smith Austin offices on August 16, 2012. The purpose of the internal team meeting was to identify the best way to supplement the previously obtained UIC well
data (specifically for Class II wells) to integrate the spatial GIS coordinates. Some of the UIC program data was in EBCDIC format and required conversion to ASCII format. The internal meeting also developed a document roadmap outline that led to the production of a draft document with permitting flowcharts that was made available on August 31, 2012 Professional services were expended or billed to this project for this period in August 2012 (see below).

Task Description and Work Accomplished in August 2012 (% complete):

Task 1 – Project Management: None (86%)

Task 2 – Identification and Completion Characteristics of Class II Wells in Study Area and in Texas: None (65%)

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 (85%)

Task 5 – Develop Roadmap for Permitting Process: None (68%)

Task 6 – Manual for Permitting Process: None (8%)

Estimates for task completion are based on CDM Smith Current Period Charges Report (CPCR) for labor and expenses for this project through the September 1, 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