EXHIBIT B

SCOPE OF WORK

Task 1 – Project Management: Project management activities will be performed throughout all stages of the project. Schedule and financial monitoring will be performed monthly. Progress reporting and invoicing with documentation for reimbursement will be performed monthly. Project data will be developed and maintained for access by team members and TWDB staff throughout the project and will be made available for incorporation into TWDB website throughout the project.

Task 2 – Identification of Class II Wells in the Study Area and in Texas: Research will be performed to determine the number and location of Class II wells currently permitted in Texas. This information will provide as much information on Class II wells as is available from various state agencies and resources. Information will be collected and compiled on the specific well identified in SAWS Study Area as part of the SAWS Brackish Groundwater Project to be tested for possible permitting of not only Class II purposes, but also for Class I disposal purposes.

Task 3 – Testing of Class II Well in SAWS Study Area for Class I Uses: Extensive downhole testing of the injection well will be performed to evaluate the technical feasibility of disposing saline water treatment concentrate into the saline Edwards formation at this location. Testing will include the evaluation of the condition of the casing, deepening of the well to penetrate the entire Edwards formation, evaluation of the hydraulic characteristics of the Edwards injection zone, and evaluation of the chemistry of the saline waters in the injection zone. A complete report will be developed documenting the findings of the testing along with a full plan for future uses of the test well. The potentiometric surface of the well and proposed plan for future monitoring of the well will be developed. If the test well does not show that it is viable to permit this well for the SAWS Project, this project team will continue to work with TCEQ staff to develop a specific permitting protocol for successfully permitting a Class II well for dual Class I & II purposes.

Task 4 – Coordination with TCEQ: Meetings will be held with the TCEQ staff at least once every two months for the duration of the project. The meetings will serve to solicit feedback from TCEQ regarding their issues, concerns, and needs regarding the testing of the Class II well, technical approaches, and documentation necessary from the testing phase. The research team will submit approaches to the permitting process to TCEQ. Based on feedback, the approaches will be revised accordingly. This will be an on-going process of meetings and feedback to ensure that all issues are fully addressed as part of this coordination.

Task 5 – Develop a Roadmap for the Permitting Process: A detailed, step-by-step process will be documented for the permitting process. A detailed technical memorandum will be written outlining each step and include a decision tree based on various possibilities for the variations of situations for Class II wells. This technical memorandum will be submitted to the TWDB and TCEQ staff for review and finalization.
Task 6 – Manual for the Permitting Process: An instruction manual will be developed that will include a road map for small utilities documenting the specific process to follow and showing the entire procedure for permitting a Class II well for dual Class II and Class I purposes. The costs associated with each phase of permitting will be documented as well as the timeline associated with the permitting process. Points of contact responsible for the permitting and technical assistance within TCEQ will be identified. Lessons-learned and issues encountered will be documented so that small utilities can benefit from this initial process. An analysis of cost and schedule savings as part of a dual permitting process will be developed.