

TCEQ Interoffice Memorandum

TO: Office of the Chief Clerk
Texas Commission on Environmental Quality

THRU: Chris Kozlowski, Team Leader
Water Rights Permitting Team

FROM: Jeremy Walker-Lee, Project Manager
Water Rights Permitting Team

DATE: May 04, 2023

SUBJECT: East Texas Acres, LTD.
WRTP 13885
CN606078186, RN111604328
Application No. 13885 for a Temporary Water Use Permit
Texas Water Code § 11.138, Requiring Limited Mailed Notice
Patroon Bayou, Sabine River Basin
Shelby County

The application and fees were received on November 14, 2023. Additional information was received on February 1, February 27, March 10, and April 24, 2023. The application was declared administratively complete and accepted for filing with the Office of the Chief Clerk on May 04, 2023. Mailed notice to downstream water right holders of record in the Sabine River Basin is required pursuant to Title 30 Texas Administrative Code § 295.154(a).

All fees have been paid and the application is sufficient for filing.



Jeremy Walker-Lee, Project Manager
Water Rights Permitting Team
Water Rights Permitting and Availability Section

OCC Mailed Notice Required YES NO

Jon Niermann, *Chairman*
Emily Lindley, *Commissioner*
Bobby Janecka, *Commissioner*
Erin E. Chancellor, *Interim Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 04, 2023

Ms. Krystal Riley
Skelton Slusher Barnhill Watkins Wells PLLC
1616 S Chestnut St
Lufkin, Texas 75901-5732

VIA E-MAIL

RE: East Texas Acres, LTD.
WRTP 13885
CN606078186, RN111604328
Application No. 13885 for a Temporary Water Use Permit
Texas Water Code § 11.138, Requiring Limited Mailed Notice
Patroon Bayou, Sabine River Basin
Shelby County

Dear Ms. Riley:

This acknowledges receipt of additional information on April 24, 2023.

The application was declared administratively complete and filed with the Office of the Chief Clerk on May 04, 2023. Staff will continue processing the application for consideration by the Executive Director.

Please be advised that additional information may be requested during the technical review phase of the application process.

If you have any questions concerning the application, please contact me via email at Jeremy.walker-lee@tceq.texas.gov or by phone at 512-239-0637.

Sincerely,

A handwritten signature in cursive script that reads "Jeremy Walker-Lee".

Jeremy Walker-Lee, Project Manager
Water Rights Permitting Team
Water Rights Permitting and Availability Section

Jeremy Walker-Lee

From: Krystal Riley [REDACTED]
Sent: Monday, April 24, 2023 11:32 AM
To: Jeremy Walker-Lee
Subject: East Texas Acres Ltd., Application #13885
Attachments: Ltr to TCEQ (East Texas Acres).pdf; East Texas Acres Deed.pdf; East Texas Acres -- Certificate of Limited Partnership.PDF; East Texas Acres -- Certificate of Amendment.PDF; MPJ & T LLC -- Articles of Organization.PDF

Good morning,

Attached is my response to your request for information dated April 11, 2023. Please let me know if you need anything else.

Thank you.

Krystal Garcia Riley

Attorney – Partner

1616 South Chestnut, Lufkin, Texas 75901

(936) 633-4231 – Direct

(936) 632-2300 – Office

(936) 632-6545 – Fax
[REDACTED]



Krystal Garcia Riley
Attorney - Partner

ssbww.law

Areas of Practice: Civil Appellate Law, Real Estate,
Natural Resource Law, Corporate Law,
Estate Planning, Guardianship, & Probate

Experienced Innovative Personal

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Form 424
(Revised 05/11)
Submit in duplicate to:
Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
512 463-5555
FAX: 512/463-5709
Filing Fee: See instructions



This space reserved for office use.

Certificate of Amendment

FILED
In the Office of the
Secretary of State of Texas

DEC 16 2016

Corporations Section

Entity Information

The name of the filing entity is:

East Texas Acres, LTD.

State the name of the entity as currently shown in the records of the secretary of state. If the amendment changes the name of the entity, state the old name and not the new name.

The filing entity is a: (Select the appropriate entity type below.)

- | | |
|--|---|
| <input type="checkbox"/> For-profit Corporation | <input type="checkbox"/> Professional Corporation |
| <input type="checkbox"/> Nonprofit Corporation | <input type="checkbox"/> Professional Limited Liability Company |
| <input type="checkbox"/> Cooperative Association | <input type="checkbox"/> Professional Association |
| <input type="checkbox"/> Limited Liability Company | <input checked="" type="checkbox"/> Limited Partnership |

The file number issued to the filing entity by the secretary of state is: 8015210

The date of formation of the entity is: March 6, 1995

Amendments

1. Amended Name

(If the purpose of the certificate of amendment is to change the name of the entity, use the following statement)

The amendment changes the certificate of formation to change the article or provision that names the filing entity. The article or provision is amended to read as follows:

The name of the filing entity is: (state the new name of the entity below)

The name of the entity must contain an organizational designation or accepted abbreviation of such term, as applicable.

2. Amended Registered Agent/Registered Office

The amendment changes the certificate of formation to change the article or provision stating the name of the registered agent and the registered office address of the filing entity. The article or provision is amended to read as follows:

Registered Agent
(Complete either A or B, but not both. Also complete C.)

A. The registered agent is an organization (cannot be entity named above) by the name of:

OR

B. The registered agent is an individual resident of the state whose name is:

<i>First Name</i>	<i>M.I.</i>	<i>Last Name</i>	<i>Suffix</i>
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The person executing this instrument affirms that the person designated as the new registered agent has consented to serve as registered agent.

C. The business address of the registered agent and the registered office address is:

<i>Street Address (No P.O. Box)</i>	<i>City</i>	<i>TX</i>	<i>State Zip Code</i>
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3. Other Added, Altered, or Deleted Provisions

Other changes or additions to the certificate of formation may be made in the space provided below. If the space provided is insufficient, incorporate the additional text by providing an attachment to this form. Please read the instructions to this form for further information on format.

Text Area (The attached addendum, if any, is incorporated herein by reference.)

Add each of the following provisions to the certificate of formation. The identification or reference of the added provision and the full text are as follows:

Alter each of the following provisions of the certificate of formation. The identification or reference of the altered provision and the full text of the provision as amended are as follows:

The limited partnership will now be managed by its sole, General Partner MPJ &T, L.L.C.
Address for L.L.C.: 1173 CR 1092, Center, Texas 75935

Delete each of the provisions identified below from the certificate of formation.

Statement of Approval

The amendments to the certificate of formation have been approved in the manner required by the Texas Business Organizations Code and by the governing documents of the entity.

Effectiveness of Filing (Select either A, B, or C.)

- A. This document becomes effective when the document is filed by the secretary of state.
- B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: _____
- C. This document takes effect upon the occurrence of a future event or fact, other than the passage of time. The 90th day after the date of signing is: _____

The following event or fact will cause the document to take effect in the manner described below:

Execution

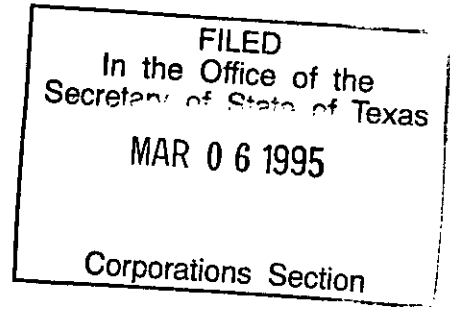
The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Date: June 26, 2016

By: MPJ & T, L.L.C.

Patricia George Lout
Signature of authorized person

Patricia George Lout, Member
Printed or typed name of authorized person (see instructions)



STATE OF TEXAS

§
§
§
§

COUNTY OF SHELBY

EAST TEXAS ACRES, LTD.

CERTIFICATE OF LIMITED PARTNERSHIP

We, the undersigned, desiring to form a limited partnership pursuant to the Texas Revised Limited Partnership Act, Article 6132a(1) of the Revised Civil Statutes of the State of Texas, certify as follows:

1. The name of the Partnership is EAST TEXAS ACRES, LTD.
2. The address of the registered office is Farm Road 3451, San Augustine, Texas 75972. The name and address of the registered agent for the partnership is JOHN MICHAEL LOUT, Farm Road 3451, San Augustine, Texas 75972.
3. The principal office of the Partnership is Farm Road 3451, San Augustine, Texas 75972, or such other place as the General Partners may from time to time designate.
4. The name and place of residence of each General Partner is:

Name	Place of Residence
JOHN MICHAEL LOUT	Farm Road 3451 San Augustine, Texas 75972
PATRICIA G. LOUT	Farm Road 3451 San Augustine, Texas 75972

5. Other matters that the general partner(s) determine to include: None

IN WITNESS WHEREOF, we have hereunto set our hands this 14th day of February, 1995.

GENERAL PARTNERS

JOHN MICHAEL LOUT

PATRICIA G. LOUT

General Warranty Deed

Date: July 22, 2002

Grantor: Shirley Lout

Grantor's Mailing Address:

265 FM 2261
Shelbyville, Texas 75973
Shelby County

Grantee: East Texas Acres, Ltd., a Texas limited partnership

Grantee's Mailing Address:

1173 CR 1092
Center, Texas 75935
Shelby County

Consideration:

TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration.

Property (including any improvements):

Being 100.94 acres of land, more or less, a part of the S. D. PAYNE SURVEY, A-902, the JONATHAN ANDERSON SURVEY, A-5, and the JOHN BUCKLEY Survey, A-41, Shelby County, Texas, and being the land described as the Second Tract in the deed from Stephen D. Pearce to Jack Lout, dated August 7, 1997, recorded in Volume 823, Page 5, Official Public Records, and also being the same land described in deed from Jack Lout and wife, Martha Nell Lout to Shirley Lout, a feme sole, dated July 8, 1998, recorded in Volume 842, Page 199, Official Public Records, Shelby County, Texas, and being more particularly described in Exhibit "A" attached hereto and made a part hereof for all intents and purposes.

Reservations from Conveyance:

For Grantor and Grantor's heirs, successors, and assigns forever, all oil, gas, and other minerals in and under and that may be produced from the Property for the remainder of the life of Grantor. If the mineral estate is subject to existing production or an existing lease, this reservation includes the production, the lease, and all benefits from it.

SL ML
SL ML

Exceptions to Conveyance and Warranty:

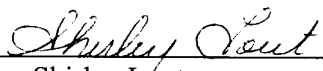
Easements, rights-of-way and prescriptive rights, whether of record or not; all presently recorded restrictions, reservations, covenants, conditions, oil and gas leases, mineral severances and other instruments, other than liens and conveyances, that affect the property.

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any

part thereof, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

When the context requires, singular nouns and pronouns include the plural.

No Title Examination was requested in connection with the preparation of this document nor was any made. The preparer expresses no opinion as to status of the title or sufficiency of the legal description.

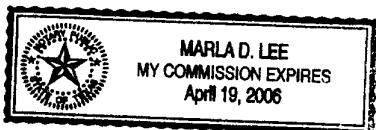



Shirley Lout

STATE OF TEXAS)

COUNTY OF SHELBY)

This instrument was acknowledged before me on June 27, 2002, by Shirley Lout.





Notary Public, State of Texas

PREPARED IN THE OFFICE OF:

J. Ken Muckelroy, Attorney at Law, P.C.
108 Foster Street
Center, TX 75935
Tel: (936) 598-6110
Fax: (936) 598-7070

AFTER RECORDING RETURN TO:

J. Ken Muckelroy, Attorney at Law, P.C.
108 Foster Street
Center, TX 75935
Tel: (936) 598-6110
Fax: (936) 598-7070

BEING 100.94 acres of land, more or less, a part of the S. D. PAYNE SURVEY, A-902, the JOHNATHAN ANDERSON SURVEY, A-5 and the JOHN BUCKLEY, A-41, Shelby County, Texas, and being the land described as the Second Tract in the deed from Stephen D. Pearce to Jack Lout, dated August 7, 1997, recorded in Vol. 823, Page 5, Official Public Records, Shelby County, Texas, and being more particularly described by metes and bounds as follows, to-wit:

BEGINNING at U. S. Forest Service standard monument #S1AJ Cor 4 we found at the recognized lower N. E. C. of the Stephen D. Pearce called 195.00 acre tract in the S. D. Payne Survey, A-902, the Johnathan Anderson Survey, A-5 and the John Buckley, A-41, Shelby County, Texas, described in deed from Cecile Pearce to Stephen D. Pearce, dated March 19, 1979 and recorded in Volume 555, Page 523, Shelby County Deed Records, being on the recognized S. B. L. of the S. D. Payne Survey and the recognized N. E. L. of the John Buckley Survey;

THENCE South 33 deg. 00 min. 00 sec. West along a painted line being the recognized lower E. B. L. of the aforementioned Pearce tract and the recognized W. B. L. of the U. S. Forest Service 75 acre tract described in Volume 176, Page 410, a distance of 1,054.09 feet to a 1" x 2" Steel Rod we found at the recognized S. E. C. of said Pearce tract and the recognized N. E. C. of the W. A. Bridges 80 acre tract described in Vol. 276, Pg. 8;

THENCE North 59 deg. 58 min. 44 sec. West, generally along an old fence and a painted line we found on the recognized S. B. L. of the aforementioned Pearce tract and the recognized N. B. L. of the aforementioned Bridges tract at 1,017.10 feet passing a 1/2" Steel Rod (rebar) we set on the East side of FM 1279 at 1,067.10 feet passing the apparent centerline of said FM road at 1,117.10 feet passing a 1/2" Steel Rod (rebar) we set on the West side of said FM road and continuing to a total distance of 2,281.96 feet to a 1/2" Steel Rod (rebar) we set at the recognized S. W. C. of the said Pearce tract and the recognized N. W. C. of the said Bridges tract;

THENCE North 17 deg. 38 min. 56 sec. East, generally along an old fence we found on the recognized W. B. L. of the aforementioned Pearce tract and the recognized E. B. L. of the Oma Powell 113.25 acre tract described in Volume 126, Page 469, a distance of 277.25 feet to a 1/2" Steel Rod (rebar) we set;

THENCE North 73 deg. 29 min. 28 sec. East, across the aforementioned Pearce tract a distance of 2,756.45 feet to a point at the intersection of the apparent centerline of Texas Highway 87 and the apparent centerline of Texas FM 1279;

THENCE along the apparent centerline of Texas Highway 87 as follows:

North 08 deg. 14 min. 47 sec. West, a distance of 62.11 feet;

North 05 deg. 26 min. 35 sec. West, a distance of 99.94 feet;

North 02 deg. 30 min. 06 sec. West, a distance of 99.94 feet;

North 00 deg. 29 min. 54 sec. East, a distance of 99.97 feet;

North 03 deg. 13 min. 31 sec. East, a distance of 99.92 feet;

North 06 deg. 59 min. 55 sec. East, a distance of 99.92 feet;

North 08 deg. 45 min. 26 sec. East, a distance of 99.96 feet;

North 10 deg. 07 min. 44 sec. East, a distance of 796.02 feet to a point

on the apparent centerline of said highway at its intersection with the apparent centerline of Patroon Creek;

THENCE along the apparent centerline of Patroon Creek as follows:

North 82 deg. 37 min. 33 sec. East, a distance of 91.38 feet;

North 55 deg. 52 min. 28 sec. East, a distance of 61.86 feet;

North 89 deg. 13 min. 00 sec. East, a distance of 75.42 feet;

North 65 deg. 30 min. 12 sec. East, a distance of 224.88 feet;

North 67 deg. 55 min. 22 sec. East, a distance of 92.65 feet;

South 63 deg. 24 min. 27 sec. East, a distance of 280.74 feet;

North 77 deg. 08 min. 12 sec. East, a distance of 146.45 feet;

South 63 deg. 07 min. 22 sec. East, a distance of 131.674 feet to a point

on the apparent centerline of said creek at its intersection with an old fence we found, said point being the recognized upper N. E. C. of the aforementioned Pearce tract and the recognized N. W. C. of the Reeves Haley 40 acre tract described in Volume 164, Page 428;

THENCE South 29 deg. 33 min. 30 sec. West, generally along an old fence we found on the recognized upper E. B. L. of the aforementioned Pearce tract and the recognized W. B. L. of the aforementioned Haley tract at 21.24 feet passing a 30" Magnolia on the South bank of Patroon Creek at 2,083.55 feet passing a 1/2" Steel Rod (rebar) we set on the East side of Texas Highway 87 at 2,148.69 feet passing the apparent centerline of said highway at 2,213.83 feet passing a 1/2" Steel Rod (rebar) we set on the West side of said highway and continuing to a total distance of 3,072.46 feet to a 1/2" Steel Rod (rebar) we set at the recognized interior N. E. C. of the said Pearce tract and the recognized S. W. C. of the said Haley tract;

THENCE South 60 deg. 00 min. 00 sec. East, a distance of 194.44 feet to the Place of Beginning, containing 100.94 acres of land, more or less.

EXHIBIT "A"

STATE OF TEXAS
COUNTY OF SHELBY


I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Volume and Page of the Official Public Records of Shelby County, Texas.



Allison Harbison
County Clerk, Shelby County Texas

Skelton | Slusher
Barnhill | Watkins | Wells
— **PLLC** —
Attorneys at Law

April 24, 2023

Krystal Garcia Riley
Direct Dial 936 633 4231
Direct Fax 936 632 6545


Via Email: Jeremy.Walker-Lee@tceq.texas.gov

Jeremy Walker-Lee
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711

Re: East Texas Acres, Ltd.
WRTP 13885
Application No. 13885 for a Temporary Water Use Permit
Texas Water Code § 11.138, Requiring Limited Mailed Notice
Patroon Bayou, Sabine River Basin, Shelby County

Dear Mr. Walker-Lee:

This letter is in response to your request for additional information, dated April 11, 2023.

With regard to Request No. 1, screens will be installed on the suction hoses used at the diversion point.

With regard to Request No. 2, the applicant confirms that the diversion point is located in Patroon Bayou, a tributary of the Sabine River Basin.

With regard to Request No. 3, enclosed is the deed to East Texas Acres, Ltd. for property that provides access to Patroon Bayou.

With regard to Request No. 4, the purpose for the request is mining.

With regard to Request No. 5, enclosed are the Certificate of Formation and Certificate of Amendment for East Texas Acres, Ltd., showing the existence of the entity and that MPJ & T, LLC is the general partner of the limited partnership. Additionally enclosed are the Articles of Organization for MPJ & T, LLC, showing that John Michael Lout is the Manager of the LLC.

Please let me know if you need any additional information.

Sincerely,



Krystal Garcia Riley

Enclosures

**ARTICLES OF ORGANIZATION
OF
MPJ & T LLC**

FILED
In the Office of the
Secretary of State of Texas
APR 04 1995
Corporations Section

I the undersigned natural person of the age of eighteen (18) years or more and being a citizen of the State of Texas, acting as Organizer of the Limited Liability Company under the Texas Limited Liability Company Act do hereby adopt the following Articles of Organization for such Limited Liability Company

**ARTICLE ONE
NAME**

The name of this Limited Liability Company is MPJ & T, L L C

**ARTICLE TWO
DURATION**

The period of its duration is thirty (30) years from the date of filing of these Articles of Organization with the Secretary of the State of Texas

**ARTICLE THREE
PURPOSES**

The purposes for which the Limited Liability Company is organized are

- (A) To engage in the business of the organization, development and sale of resources of all types and all forms throughout the United States and foreign countries as far as shall be in the best interest of the Limited Liability Company,

(B) To purchase, receive by way of gift, subscribe for invest in, and in all other ways acquire import, lease possess, maintain, handle on consignment, own, hold for investment or otherwise, use, enjoy, exercise, operate manage, conduct, perform make borrow contract in respect of trade and deal in, sell, exchange, let lend, export mortgage, pledge, deed in trust, hypothecate, encumber transfer, assign and in all other ways dispose of design, develop invent improve, equip repair, alter fabricate, assemble build, construct, operate, manufacture, plant, cultivate, produce market, and in all other ways (whether like or unlike any of the foregoing), deal in and with property of every kind and character real, personal, or mixed, including but not limited to money, credits choses in action, securities stocks, bonds warrants, script certificates debentures, mortgages, notes, commercial paper, and other obligation and evidences of interest in or indebtedness of any person, firm, or corporation, foreign or domestic, or of any government or subdivision or agency thereof, documents of title, and accompanying rights, and every other kind and character of personal property real property (improved or unimproved) and the products and avails thereof, and in every character of interest therein and appurtenance thereto including but not limited to, mineral, oil, gas and water rights, all or any part of any going business and its incidents, franchises, subsidies, charters, concessions, grants, powers or privileges, granted or by conferred any government or subdivision or agency thereof and any interest in or part of any of the foregoing and to exercise in respect thereof all of the rights powers privileges and immunities of individual owners or holders thereof

(C) To hire and employ agents servants, and employees to enter in to agreements of employment and collective bargaining agreements, and to act as agent, contractor, factor or otherwise, either alone or in company with others

(D) To promote or aid in any manner financially or otherwise, any person, firm, association, or corporation

(E) To let concessions to others to do any of the things this Limited Liability Company is empowered to do, and to enter in to, make perform, and carry out, contracts and arrangements of every kind and character with any person, firm, association, corporation, or limited liability company, any government or authority or subdivision or agency thereof

(F) To carry on any business whatsoever that this Limited Liability Company may deem proper or convenient in connection with any of the foregoing purposes or otherwise, or that it may deem calculated, directly or indirectly to improve the interests of this Limited Liability Company, and to have and to exercise all powers conferred by the laws of the State of Texas on Limited Liability Company formed under the laws pursuant to which and under which this Limited Liability Company is formed, as such laws are now in effect or may at anytime hereafter be amended, and to do any and all things hereinabove set forth to the same extent and as fully as natural persons might or could do, either alone or in connection with other persons firms, association, or Limited Liability Companies and in any other part of the world

(G) To engage in any business related or unrelated to those described in clause (A) of this Article Three, from time to time authorized or approved by the Managers of this Limited Liability Company or carry on any other trade or business which can, in the opinion of the Managers of the Limited Liability Company, be advantageously carried on in connection with or

auxiliary to those described in clause (A) of this Article Three and to do all such things as are incidental or conducive to the attainment of the above objects or any of them

(H) To enter into any lawful arrangements for sharing profits and/or losses in any transaction or transactions, and to promote and organize other limited liability companies

(I) To have and to exercise all rights and powers that are now or may hereafter be granted to a Limited Liability Company by law

The foregoing shall be construed as objects purposes and powers and the enumeration thereof shall not be held to limit or restrict in any manner the powers now or hereafter conferred on this Limited Liability Company by the laws of the State of Texas

The objects, purposes and powers specified herein shall, except as otherwise expressed, be in no way limited, or restricted by reference to or inference from the terms of any other clause or paragraph of these Articles. The objects purposes and powers specified in each of the clauses or paragraphs of these Articles of Incorporation shall be regarded as independent objects purposes or powers

The Limited Liability Company may in its Regulations confer powers, not in conflict with law upon its Managers in addition to the foregoing and in addition to the power and authorities expressly conferred upon the by statute

ARTICLE FOUR

PRIVILEGES, AND RIGHTS OF MEMBERSHIP INTERESTS

SECTION ONE Two Classes of Membership Interests.

The Limited Liability Company is authorized to issue two classes of membership interests to be designated respectively "Voting Membership Interests and Non Voting Membership Interests. The total number of membership interests which the Limited Liability Company is authorized to issue is Two

Million (2 000 000) membership interests The number of Voting Membership Interests authorized is One Million (1,000 000) membership interests The number of Non Voting Membership interests authorized is One Million (1 000,000) membership interests

SECTION TWO Voting Rights Exclusive to Voting Membership Interests, Cumulative Voting Prohibited, Membership Interests Shall Have No Liquidation Preference

Except where otherwise provided in these Articles of Organization or Regulations, the holders of the Voting Membership Interests shall have the exclusive voting rights and powers including, the exclusive right to notice of Managers meetings Managers shall be elected by majority vote Cumulative voting shall not be permitted Upon any liquidation, dissolution or winding up of the limited liability company whether voluntary or involuntary, the holders of Voting Membership interests and Non voting Membership interests shall share in any liquidating distributions pro rata.

ARTICLE FIVE

ALLOCATION OF NET PROFITS, LOSSES AND DISTRIBUTIONS

The Managers may distribute cash, whether from the operations of the Limited Liability Company or from the Member s capital accounts, to such Members in such amounts and at such times as the Managers shall determine appropriate Such cash distributions do not have to be prorata, in relations to capital contributions, in the same ratio as profits and losses or made to each Member in any particular year Cash distributions from the Limited Liability Company may be made by the Managers to all Members without regard to the profits or losses of the Limited Liability Company from operations, provided, that no cash distributions shall be made which will impair the ability of the Limited Liability Company to pay its just debts as they mature The Managers shall determine when, if ever, cash distributions shall be made to the Members, pursuant to the provisions and the tenor of this Agreement

The amount of net profits and net losses of the Limited Liability Company to be allocated to and charged against each Member shall be determined by his percentage ownership

Notwithstanding the above the Board of Managers may in its sole discretion provide for an allocation of items of income gains deductions, losses and credits among the Members in a manner not consistent with their respective capital interests provided that (a) the allocation is in writing (b) the allocation is effective for only one tax year, and (c) the allocation has economic effect pursuant to Treasury Regulations Section 1.704-1(b)

All items of Limited Liability Company income, expense gain, loss deduction, and credit for tax purposes shall be allocated as provided in this Agreement relating to allocations of profits and losses The tax matters Member shall be John Michael Lout or such other Manager may designate in writing from time to time The tax matters Member shall furnish in a timely manner all information Members need to complete their Federal and State income tax forms, including statements of the net distributable income or loss to each Member from the operation of the Membership

ARTICLE SIX

REGISTERED OFFICE AND AGENT

The address of its initial registered office is Route 5 Box 169 Center, Texas 75935, and the name of its initial registered agent at such address is John Michael Lout The address of its principal place of business is Route 5, Box 169, Center, Texas 75935

ARTICLE SEVEN

REGULATIONS

The Members of the Limited Liability Company hereby delegate to the Managers the power to adopt, alter, amend or repeal the Regulations of the Limited Liability Company This power shall be vested exclusively in the Managers and shall not be exercised by the Members

ARTICLE EIGHT

DEATH, WITHDRAWAL, BANKRUPTCY OR LEGAL INCOMPETENCY OF A MEMBER

Upon the withdrawal, death, bankruptcy or legal incompetency of a Member (and, in the case of a Member that is a corporation, association, partnership, joint venture or trust the dissolution of such Member), the Limited Liability Company shall not be dissolved but shall continue in existence without interruption In case of the death of a Member the non testamentary transferee that may be described in Article Nine and in case of incompetency or incapacity of a Member, the transferee as may be described in Article Nine if any, shall automatically become substitute Member as if originally named herein

ARTICLE NINE

CERTAIN DISPOSITION OF MEMBERSHIP INTERESTS TO LIVING TRUST

SECTION ONE Applicability

The provisions of this Article Nine shall apply and be controlling over any other conflicting provisions in this Agreement if a Living Trust or Living Trust has been established or agreed to by any Member herein as a Trustmaker Settlor or Grantor (Living Trust) and such Living Trust is a Member herein When a Living Trust is a Member, these Article Nine provisions shall also apply to each Grantor, Settlor, and Trustmaker of such Trust who is also a Member individually herein When no Living Trust is a Member to this Agreement, the provisions in this Article Nine shall be of no force or effect

SECTION TWO **Non Testamentary Transfers at Death**

Upon the death of a Grantor Settlor, or Trustmaker of a Living Trust who is also a Member, the interest in this Limited Liability Company of such deceased Partner shall pass to the Trustee of such Members Living Trust

Such deceased Members interest in this Limited Liability Company shall be held by such Trustee as a substituted Member under Article Eleven, Section Seven without further action and none of the conditions or other provisions of Article Eleven, Section Seven need be complied with to make such substitution

The transfer of a deceased Member's interest under the terms of this Section is being made as authorized by Section 450 of the Texas Probate Code (TPC) and no other provisions in this Agreement shall be interpreted to conflict with the provisions in this Section or those in Section 450 of TPC

ARTICLE TEN

MANAGERS

(A) The number of Managers constituting the initial Board of Managers is one and the name and address of the person who is to serve as Manager until the first annual meeting of the Members or until his successor is elected and qualified is

John Michael Lout

Route 5, Box 169, Center, Texas 75935

(B) The number of Managers of the Limited Liability Company set forth in clause (A) of this Article Ten shall constitute the authorized number of Managers until changed

by an amendment of the Regulations duly adopted by the vote or written consent of the Members of the Limited Liability Company but shall not be less than one

ARTICLE ELEVEN

MEMBERSHIP INTERESTS TRANSFER RESTRICTIONS

SECTION ONE Restriction on Transfer of Membership Interests.

No Member and no spouse of a Member shall sell, assign, transfer or otherwise dispose of or pledge or otherwise encumber, in any manner or by any means whatsoever any interest in all or any part of the Membership Interests of the Limited Liability Company which he may now or hereafter own, except in compliance with the terms and conditions of this Article Eleven

SECTION TWO Method of Selling Membership Interests.

A Member who shall desire to sell, assign, transfer or otherwise dispose of all or any part of the Membership Interests of the Limited Liability Company which he owns including Membership Interests he and his wife own as community property and any Membership Interests acquired by his wife and children or by a trust for their benefit as provided in Section Four hereof) may do so only after offering all of the Membership Interests of the Organization which he may own (including Membership Interests he and his wife own as community property and any Membership Interests acquired by his wife and children or by a trust for their benefit as provided in Section Four hereof) to the other Members in the following manner

- (A) The Member desiring to dispose of all or any part of the Membership Interests of the Organization which he owns (the Selling Member) shall give written notice to the other Members and the Organization stating that he has received a bona fide offer for the sale of such Membership Interests and stating the number of Membership Interests to be sold, the

name and address of the offeror the sales price, the terms of payment of such sale and such other terms and conditions as are material Such notice shall contain an offer to sell to the other Members, and the other Members shall have the exclusive right and option to purchase all of the Membership Interests offered by the Selling Member at the same price and on the same terms and conditions as set out in such notice, payable by the other Members at the time of transfer in the proportion that they purchase the Membership Interests pursuant to subsection (B) of this Section Two

(B) Each of the other Members will have the right to purchase from the Selling Member that number of Membership Interests which bears the same ratio to all of the Membership Interests owned by the Selling Member as the number of Membership Interests owned by the purchasing Member bears to the total number of Membership Interests owned by all the Members except the Selling Member If a Member does not wish to purchase all of the Membership Interests which he has a right to purchase, the Membership Interests which he does not wish to purchase may be purchased by the remaining Members, except the Selling Member, the right to purchase again being proportionate to the number of Membership Interests owned by those Members, except the Selling shareholder who still wish to purchase additional Membership Interests If this does not result in a sale of all of the Membership Interests owned by the Selling Member the procedure shall be repeated until all of the Membership Interests owned by him are purchased or until no Member remains who desires to purchase any of the remaining Membership Interests owned by the Selling Member

(C) The right of the other Members to purchase the Membership Interests owned by the Selling Member shall expire 30 days from the date the notice is given

(D) If after the expiration of 30 days the other Members have not purchased all of the Membership Interests owned by the Selling Member, he may sell the Membership

Interests for which he received an offer to the offeror on the same terms as set forth in the notice provided, however, that such sale must be completed within 90 days after the date of the notice is given After the expiration of the 90 day period such Membership Interests shall again be subject to the restrictions of this Article Eleven whether or not sold pursuant to this subsection (D)

(E) No Member may give notice under this Section Two of his desire to dispose of his Membership Interests of the Organization while another notice is pending under this Section.

(F) A Member may dispose of Membership Interests of the Organization without complying with this Section Two if he complies with Sections Three and Four hereof or if he has received the written consent of all the other Members to such disposition.

SECTION THREE Pledge or Other Encumbrance

A Member who desires to pledge Membership Interests of the Organization as collateral for a loan or otherwise encumber any such Membership Interests may do so only with the written consent of all of the other Members of the Organization Membership Interests of the Organization which are pledged or otherwise encumbered pursuant to this Section Three will remain subject to the restrictions of this Article Eleven

SECTION FOUR Gift.

Except as set forth in Section Six hereof a Member may transfer all or any part of the Membership Interests of the Organization which he owns (including Membership Interests owned by the Member and his wife as community property) to his wife his children, partnership trust or other entity in which they are partners, beneficiaries or otherwise, without complying with Section Two hereof

Membership Interests of the Organization which are transferred pursuant to this Section Four will remain subject to the other restrictions of this Article Eleven. A donee may sell Membership Interests of the Organization which he receives under this Section Three only after complying with Section Two hereof. For purposes of Sections Two and Three hereof, Membership Interests of the Organization transferred pursuant to this Section Four shall also be deemed to be owned by the donor.

SECTION FIVE Additional Members.

Any person who hereafter acquires any Membership Interests of the Organization, whether by issuance from the Organization, transfer from a Member by his acceptance of such Membership Interests, hereby agrees that any subsequent sale, gift, encumbrance, assignment, transfer or other disposition thereof shall be subject to the restrictions of this Article Eleven and such persons shall thereafter be included within the meaning of the terms Member and "Members" as herein used.

SECTION SIX. Community Membership Interests, Divorce

If as a result of a divorce, partition, or otherwise, Membership Interests of the Organization owned by a Member and his spouse are partitioned or otherwise changed from community property to separately or jointly owned property, the provisions of Section Two hereof will apply, but only to the Membership Interests or interest therein to be acquired by the Member's spouse. The other Members shall have no right pursuant to Section Two hereof to purchase the remaining Membership Interests owned by such Selling Member. The Members may subordinate the effect of this provision to an agreement of the Members providing otherwise and shall do so to the extent and so long as said agreement continues in force.

SECTION SEVEN Substitute Members.

Except as provided in Article Eleven, any assignment made to anyone, not already a Member, shall be effective only to give the assignee the right to receive the share of profits to which his assignor would otherwise be entitled, shall not relieve the assignor from liability under any agreement to make additional contributions to capital, shall not relieve the assignor from liability under the provisions of these Articles of Organization, and shall not give the assignee the right to become a substituted Member

ARTICLE TWELVE

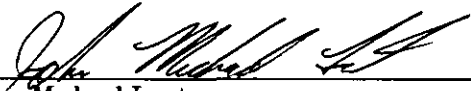
ORGANIZER

The name and address of the organizer is

John Michael Lout

Route 5, Box 169 Center, Texas 75935

IN WITNESS WHEREOF I have hereunto set my hand this 29 day of March, 1995




John Michael Lout

THE STATE OF TEXAS §

COUNTY OF SAN AUGUSTINE §

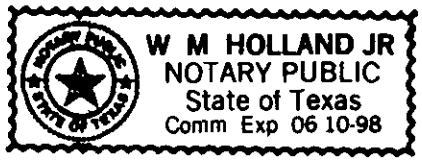
I a Notary Public in and for the State of Texas do hereby certify that on this 29th day of March, 1995, personally appeared John Michael Lout, who, being by me first duly sworn, declared to me that he is a person who signed the foregoing document as Organizer and that the statements therein contained are true

WITNESS MY HAND AND SEAL OF OFFICE THIS 29th day of March, 1995



Notary Public, State of Texas

My Commission Expires



Jeremy Walker-Lee

From: Jeremy Walker-Lee
Sent: Tuesday, April 11, 2023 9:24 AM
To: [REDACTED]
Subject: East Texas Acres Ltd., Application #13885
Attachments: East_Texas_Acres_LTD_13885_RFI_Sent_4.11.2023.pdf

Good morning,

Please see the attached request for information letter for East Texas Acres Ltd., Application #13885, and provide a response by 5/11/23.

Thanks,

Jeremy Walker-Lee, Project Manager
Water Rights Permitting Team
Water Rights Permitting and Availability Section
512-239-0637

Attachment

Jon Niermann, *Chairman*
Emily Lindley, *Commissioner*
Bobby Janecka, *Commissioner*
Erin E. Chancellor, *Interim Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

April 11, 2023

Ms. Krystal Riley
Skelton Slusher Barnhill Watkins Wells PLLC
1616 South Chestnut
Lufkin, TX 75901

VIA E-MAIL

RE: East Texas Acres, LTD.
WRTP 13885
CN606078186, RN111604328
Application No. 13885 for a Temporary Water Use Permit
Texas Water Code § 11.138, Requiring Limited Mailed Notice
Patroon Bayou, Sabine River Basin
Shelby County

Dear Ms. Riley:

This acknowledges receipt, on November 14, 2022, of the referenced application and fees in the amount of \$476.25 (Receipt No. M303550, copy attached).

A temporary permit may only be issued if there is surplus water available for use on a short-term (temporary or ephemeral) basis in the source supply. During low flow conditions, which occur during a drought or periods of limited rainfall, all water in the basin will be required for existing senior water rights and there is no presumption of any surplus flows.

Additional information is required before the application can be declared administratively complete.

1. Indicate the measures the applicant will take to avoid impingement and entrainment of aquatic organisms (ex. Screens on any new diversion structure that is not already authorized in a water right). Refer to pages 28-29 from the *Instructions for Completing the Water Right Permitting Application* (Form TCEQ-10214A-inst) for assistance in developing your response.
2. Confirm that the diversion point is located on Patroon Bayou, tributary of the Sabine River, Sabine River Basin.
3. Provide recorded copies of legal documents establishing ownership of the proposed diversion point or a copy of a duly acknowledged written easement, consent, or license from the landowner(s) whose land is associated with the proposed diversion point, pursuant to Title 30 Texas Administrative Code (TAC) § 295.10.
4. Identify the purpose(s) of use for the requested 225 acre-feet of water (eg. domestic, municipal, agricultural, industrial, recreation, mining, hydroelectric), pursuant to Texas Water Code § 11.023.

Ms. Krystal Riley
Application No. 13885
April 11, 2023
Page 2 of 2

5. Provide written evidence that Mr. Mike Lout is authorized to sign the application for East Texas Acres, LTD. pursuant to Title 30 TAC § 295.14 which states:

If the applicant is a corporation, public district, county, municipality, or other corporate entity, the application shall be signed by a duly authorized official. Written evidence in the form of bylaws, charters, or resolutions which specify the authority of the official to take such action shall be submitted. A corporation may file a corporate affidavit as evidence of the official's authority to sign.

Please provide the requested information by May 11, 2023, or the application may be returned pursuant to Title 30 TAC § 281.18.

If you have any questions concerning this matter, please contact me via email at jeremy.walker-lee@tceq.texas.gov or by telephone at (512) 239-0637.

Sincerely,



Jeremy Walker-Lee, Project Manager
Water Rights Permitting Team
Water Rights Permitting and Availability Section

Attachment



15-NOV-22 10:32 AM

TCEQ - A/R RECEIPT REPORT BY ACCOUNT NUMBER

<u>Fee Description</u>	<u>Fee Code</u> <u>Account#</u> <u>Account Name</u>	<u>Ref#1</u> <u>Ref#2</u> <u>Paid In By</u>	<u>Check Number</u> <u>Card Auth.</u> <u>User Data</u>	<u>CC Type</u> <u>Tran Code</u> <u>Rec Code</u>	<u>Slip Key</u> <u>Document#</u>	<u>Tran Date</u>	<u>Tran Amount</u>
TEMP/EMERG WTR USE PRMT ISSUE	EMG EMG	M303550	19329 111422		BS00098718 D3800626	15-NOV-22	- \$476.25
TEMPORARY/EMERGENCY WTR USE PERMIT ISSUE		SKELETON SLUSHER BARNHILL WATKINS WELLS PLLC	RHDAVIS	CK			

Total (Fee Code): - \$476.25

RECEIVED
NOV 18 2022
Water Availability Division

Jenna Rollins

From: Krystal Riley [REDACTED]
Sent: Friday, March 10, 2023 11:57 AM
To: Jenna Rollins
Subject: East Texas Acres Application

Good morning, Jenna,

These are the coordinates for the centerline for East Texas Acres' water permit application:

(31.6140924, -93.9833446)

Please let me know if you need anything else.

Krystal Garcia Riley

Attorney – Partner

1616 South Chestnut, Lufkin, Texas 75901

(936) 633-4231 – Direct

(936) 632-2300 – Office

(936) 632-6545 – Fax
[REDACTED]



SSBWW Skelton Slusher
Barnhill Watkins Wells
ATTORNEYS AT LAW PLLC

Krystal Garcia Riley
Attorney - Partner

ssbww.law

Areas of Practice: Civil Appellate Law, Real Estate,
Natural Resource Law, Corporate Law,
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**Texas Commission on Environmental Quality
TELEPHONE MEMO TO THE FILE**

Call to: Ms. Jenna Rollins	Call from: Ms. Krystal Garcia Riley
Date: 2/27/23	Project No: 13885
<i>Information for File follows:</i> Ms. Riley returned a phone call after Ms. Rollins left a voicemail. Ms. Rollins asked Ms. Riley to provide the coordinates of the reservoir in the application. Ms. Riley provided the coordinates to be 31.61799 °N, -93.98198 °W.	
Signed: <i>Jenna Rollins</i>	

Jenna Rollins

From: Chris Kozlowski
Sent: Wednesday, February 1, 2023 1:15 PM
To: Jenna Rollins
Cc: Brooke McGregor
Subject: Fw: Temporary Water Permit Application -- East Texas Acres, Ltd.

From: Krystal Riley [REDACTED]
Sent: Wednesday, February 1, 2023 12:58 PM
To: Chris Kozlowski <chris.kozlowski@tceq.texas.gov>
Subject: Temporary Water Permit Application -- East Texas Acres, Ltd.

Good afternoon,

Sorry for taking so long to get back to you. I was out sick and then had to get with my client.

My client informed me the use of the water is to fill a frac pond on his property. I also verified the term with him and he said he'd like to request the maximum of the temporary permit – three years.

Please let me know if you need any further information.

Thank you.

Krystal Garcia Riley

Attorney – Partner

1616 South Chestnut, Lufkin, Texas 75901

(936) 633-4231 – Direct

(936) 632-2300 – Office

(936) 632-6545 – Fax

[REDACTED]



SSBWW Skelton Slusher
Barnhill Watkins Wells
ATTORNEYS AT LAW PLLC

Krystal Garcia Riley
Attorney - Partner

🌐 ssbww.law

Areas of Practice: Civil Appellate Law, Real Estate,
Natural Resource Law, Corporate Law,
Estate Planning, Guardianship, & Probate

Experienced Innovative Personal

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**Skelton | Slusher
Barnhill | Watkins | Wells**

PLLC
Attorneys at Law

TCEQ
P.O. Box 13087 MC-160
Austin, Texas 78711-3087

Krystal Garcia Riley
Direct Dial: 936.633.4231
Direct Fax: 936-632-6545

Re: Application for a Temporary Water Use Permit

Dear Sir/Madam:

Enclosed is an Application for a Temporary Water Use Permit. Mike Lout, whose signature is on the Application, is the President of MPJ & T, LLC, which is the General Partner of East Texas Acres, Ltd., the applicant. I have also enclosed a USGS 7.5 minute topographic map with the diversion point labeled. The applicant owns the property that will provide private access to the diversion point. Specifically, East Texas Acres, Ltd. owns the property alongside the creek. I have also enclosed \$476.25 for the fees associated with the application. Please let me know if you need anything else.

Sincerely,



Krystal Garcia Riley

Enclosure

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

P.O. Box 13087 MC-160, Austin, Texas 78711-3087

Telephone (512) 239-4600, FAX (512) 239-4770

APPLICATION FOR A TEMPORARY WATER USE PERMIT FOR MORE THAN 10 ACRE-FEET OF WATER, AND/OR FOR A DIVERSION PERIOD LONGER THAN ONE CALENDAR YEAR

This form is for an application for a temporary permit to divert water under Section 11.138, Texas Water Code. Any permit granted from this application may be suspended at any time by the applicable TCEQ Office if it is determined that surplus water is no longer available.

Notice: This form will not be processed until all delinquent fees and/or penalties owed to the TCEQ or the Office of the Attorney General on behalf of the TCEQ are paid in accordance with the Delinquent Fee and Penalty Protocol.

- 1. Data on Applicant and Project: Social Security or Federal ID No. [redacted]
A. Name: East Texas Acres, LTD.
B. Mailing Address: 1173 COUNTY ROAD 1092, CENTER, TX 75935-6566
C. Telephone Number: (936) 554-4844 Fax Number: E-mail Address: [redacted]
D. Applicant owes fees or penalties? [] Yes [X] No
E. Describe Use of Water: Fill existing pond
F. Description of Project (TDH Project No. if applicable): Fill existing pond
G. Highway Designation No. County: Shelby

- 2. Type of Diversion (check one): [X] From Stream [] From Reservoir
3. Rate of Diversion:
A. Maximum: 500 gpm (capacity of pump)

- 4. Amount and Source of Water:
225 acre-feet of water within a period of one year (specify term period not to exceed a three year term). The water is to be obtained from Patroon Creek, tributary of Sabine River Basin.

- 5. Location of Diversion Point: Provide Latitude and Longitude in decimal degrees to at least six decimal places, and indicate the method used to calculate the diversion point location.
At Latitude 31.61799 °N, Longitude 93.98198 °W, ((at) or (near) the stream crossing of), (at a reservoir in the vicinity of) State Hwy 87(R-O-W) (Highway), located in Zip Code 75973, located 18 miles in a SE direction from Center (County Seat), Shelby County, and 0.5 miles in a S direction from Patroon, Shelby County, Texas, a nearby town shown on County road map. Note: Distance in straight line miles.

Enclose a USGS 7.5 minute topographic map with the diversion point and/or the return water discharge points labeled. Owner's written consent is required for water used from any private reservoir, or private access to diversion point.

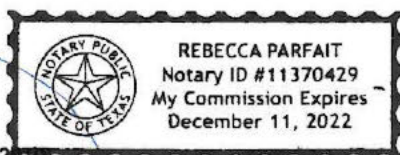
- 6. Access to Diversion Point (check one): [] Public right-of-way [X] Private property (A letter of permission from landowner is attached) [] Other (Explain)
7. Fees Enclosed:
Table with columns: Fee Type, 10 ac-ft or less, greater than 10 ac-ft. Includes Filing (\$100.00), Recording (\$1.25), Use (\$225.00), Total (\$476.25).

Upon completion of any project for which a temporary water permit is granted, the Permittee is required by law to report the amount of water used. This document must be properly signed and duly notarized before it can be accepted or considered by the Texas Commission on Environmental Quality.

[Signature]
Name (sign)

MIKE LAUT
Name (print)

Subscribed and sworn to me as being true and correct before me this 31ST day of OCTOBER, 20 22.



[Signature]
Notary Public, State of Texas



U.S. DEPARTMENT OF THE INTERIOR
U.S. GEOLOGICAL SURVEY

