

**STATUS UPDATE:
APPLICATION OF ELECTRO PURIFICATION, LLC**

JULY 15, 2020

On April 7th, 2020, the Administrative Law Judges granted Electro Purification's ("EP") Motion to Continue Abatement of the State Office of Administrative Hearings ("SOAH") hearing regarding EP's groundwater production application (the "Hearing"). The ALJs' Order extended abatement through July 17, 2020 and required EP to file monthly status reports. On July 1, 2020, EP filed its Third Monthly Abatement Status Report ("Status Report") requesting the ALJs extend abatement another month through August 17, 2020 to allow EP to finalize a settlement of its litigation against Kinder Morgan.

In a complete reversal of prior representations, EP informed the ALJs in its recent Status Report that once settlement with Kinder Morgan is reached and the Hays County District Court issues Orders of Dismissal of the lawsuits, "EP will be in a position to move forward confidently and prosecute its pending Permit Application." EP's prior filings with the ALJs unequivocally represented that: (1) "the location of the pipeline easement, as pled by [Kinder Morgan] would disrupt, destroy or otherwise require the relocation of one or more of the existing seven wells drilled by EP on the Bridges and Odell Leases;" and (2) "there is a strong possibility that [EP] will be forced to withdraw its pending Application and start over with the application process." EP's Status Update failed to identify either a change to the Kinder Morgan pipeline's route or any other explanation of the changed circumstances.

TESPA and the aligned protestants filed a response to EP's Status Report asking the ALJs to require EP to provide more information for its drastically changed position and to extend abatement only if, and when, EP provides such information. Despite a year-long—and still ongoing—abatement premised upon EP's representations that the pipeline threatens EP's wells, EP replied to the Protestants' request that "it does not matter why EP believes it will not have to relocate any of its wells." TESPA believes it, the County and other landowner protestants deserve more from EP.

The parties anticipate the ALJs will rule on EP's request to extend abatement in the next week. If EP's abatement extension request is granted, the Hearing is estimated to occur no earlier than April of 2021. TESPA will provide subsequent updates as information becomes available. Please contact TESPA's Executive Director, Patrick Cox, with any questions.