

CERTIFICATE OF ADJUDICATION

CERTIFICATE OF ADJUDICATION: 04-4582

OWNER: Lone Star Steel Company
c/o Utilities Department
Lone Star, Texas 75668

COUNTY: Morris

PRIORITY DATES: November 30, 1942
and May 8, 1972

WATERCOURSE: South Barnes Creek,
tributary of Barnes
Creek, unnamed tributary
of Peacock Creek, Barnes
Creek, and Sorrells
Creek, all being tribu -
taries of Ellison Creek
and Ellison Creek,
tributary of Cypress Creek
(Ellison Creek Reservoir)

BASIN: Cypress Creek

WHEREAS, by final decree of the 188th Judicial District Court of Gregg County, in Cause No. 86-257-A, In Re: The Adjudication of Water Rights in the Cypress Creek Basin dated June 9, 1986 a right was recognized under Permit 1405AB authorizing the Lone Star Steel Company to appropriate waters of the State of Texas as set forth below;

NOW, THEREFORE, this certificate of adjudication to appropriate waters of the State of Texas in the Cypress Creek Basin is issued to the Lone Star Steel Company, subject to the following terms and conditions:

1. IMPOUNDMENT

- A. Owner is authorized to maintain an existing dam and reservoir on Ellison Creek, known as Ellison Creek Reservoir, and impound therein not to exceed 24,700 acre-feet of water. The dam is located in the Ensign B. Smith Survey, Abstract 253, Morris County, Texas.
- B. Owner is authorized to maintain an existing dam and reservoir on Cypress Creek with the dam height not to exceed 11 feet above the bed of said creek and impound water in said reservoir and in a channel located downstream of the Ellison Creek dam. The north end of the dam is located in the Ensign B. Smith Survey, Abstract 253, Morris County, Texas.
- C. Owner is authorized to maintain existing dams and reservoirs or to construct from time to time additional impoundments on South Fork Barnes Creek, Little Barnes Creek, Barnes Creek, Sorrells Creek and an unnamed tributary of Peacock Creek in order to provide a total net storage at any one time of not to

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exceed 24,000 acre-feet of water, exclusive of storage contained in Ellison Creek Reservoir. The dams and proposed dam sites are located in the James B. Dalby Survey, Abstract 89; the Leander Kidd Survey, Abstract 170; the Livingston Skinner Survey, Abstract 263; the James C. Stout Survey, Abstract 274; the James Winton Survey, Abstract 323 and the William King Survey, Abstract 412, Morris County, Texas.

2. USE

- A. Owner is authorized to divert and use 2,000 acre-feet of water per annum from Ellison Creek Reservoir for municipal and domestic purposes or for industrial purposes.
- B. Owner is authorized to divert and consumptively use 21,000 acre-feet of water per annum from the aforesaid reservoir for industrial purposes.
- C. Owner is authorized to utilize the aforesaid impoundments on tributaries of Ellison Creek and water therein, in addition to Ellison Creek Reservoir, as part of the circulation system for industrial use, specifically including iron-ore beneficiation.
- D. Owner is authorized to divert 26,000 acre-feet of water per annum from the aforesaid reservoir on Cypress Creek to Ellison Creek Reservoir to be used to supplement the storage of Ellison Creek Reservoir.

3. DIVERSION

- A. Location:
 - (1) At a point on the aforesaid channel below the Ellison Creek Reservoir dam in the Ensign B. Smith Survey, Abstract 253, Morris County, Texas.
 - (2) At the perimeter of the Ellison Creek Reservoir and the Lower Barnes Reservoir.
- B. Maximum rate:
 - (1) 70.00 cfs (31,500 gpm) from the aforesaid reservoir on Cypress Creek.
 - (2) 766.61 cfs (344,974 gpm) from Ellison Creek reservoir.

4. PRIORITY

- A. The time priority of owner's right is November 30, 1942 for the Ellison Creek reservoir, the reservoir on Cypress Creek,

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the use of water for industrial purposes and the aforesaid diversion rates.

- B. The time priority of owner's right is May 8, 1972 for the reservoirs on the tributaries of Ellison Creek and the use of water for municipal and domestic purposes.

5. SPECIAL CONDITIONS

A. M Owner shall maintain suitable outlets in the aforesaid dams authorized herein to allow the free passage of water that owner is not entitled to divert or impound.

B. All storage capacity authorized under paragraph 1c above for the reservoirs located on the tributaries of Ellison Creek may be recovered in the future by additional construction after entry of an order by the commission approving plans and specifications.

C. Measuring requirements:

(1) All diversions from Cypress Creek for delivery into Ellison Creek Reservoir.

(2) All return flows into Ellison Creek Reservoir, impoundments authorized above and Cypress Creek.

(3) Water appropriated for domestic and municipal purposes.

D. Owner shall estimate forced evaporation losses due to water circulated by Southwestern Electric Company's powerplant and measure water losses due to operation of the impoundments authorized above.

E. Owner's rights hereunder are subject to an agreement for reservoir operations on Cypress Creek between the Texas Water Development Board, the Titus County Fresh Water Supply District No. 1, the Franklin County Water District, the Northeast Texas Municipal Water District and the Lone Star Steel Company, dated January 1, 1973, and to subsequent amendments to that agreement or basin operation orders issued by the Commission.

The locations of pertinent features related to this certificate are shown on Page 5 of the Cypress Creek Basin Certificates of Adjudication Maps, copies of which are located in the offices of the Texas Water Commission, Austin, Texas and the Morris County Clerk.

This certificate of adjudication is issued subject to all terms, conditions and provisions in the final decree of the 188th Judicial District Court of Gregg County, Texas, in Cause No. 86-257-A, In Re: The Adjudication

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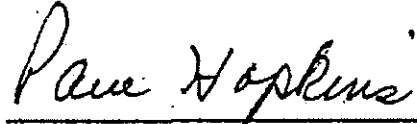
of Water Rights in the Cypress Creek Basin dated June 9, 1986 and supersedes all rights of the owner asserted in that cause.

This certificate of adjudication is issued subject to senior and superior water rights in the Cypress Creek Basin.

This certificate of adjudication is issued subject to the obligations of the State of Texas pursuant to the terms of the Red River Compact.

This certificate of adjudication is issued subject to the Rules of the Texas Water Commission and its continuing right of supervision of State water resources consistent with the public policy of the State as set forth in the Texas Water Code.

TEXAS WATER COMMISSION




Paul Hopkins, Chairman

DATE ISSUED:

OCT 13 1986

ATTEST:


Mary Ann Hefner, Chief Clerk