



Brazos Valley Water Alliance, L.P.

The Landowners' Water Enterprise

Creative Concept

Founded in 2002, the Brazos Valley Water Alliance, L. P. (the "Alliance") was created with local property owners knowledgeable in land and water issues. The primary goal of the Alliance is to protect rights by managing and conserving the resource while at the same time deriving economic benefits for the landowners and local communities through development projects that also benefit the State's water needs.

The Structure

The Alliance was created to join together landowners over an area of interest that covers

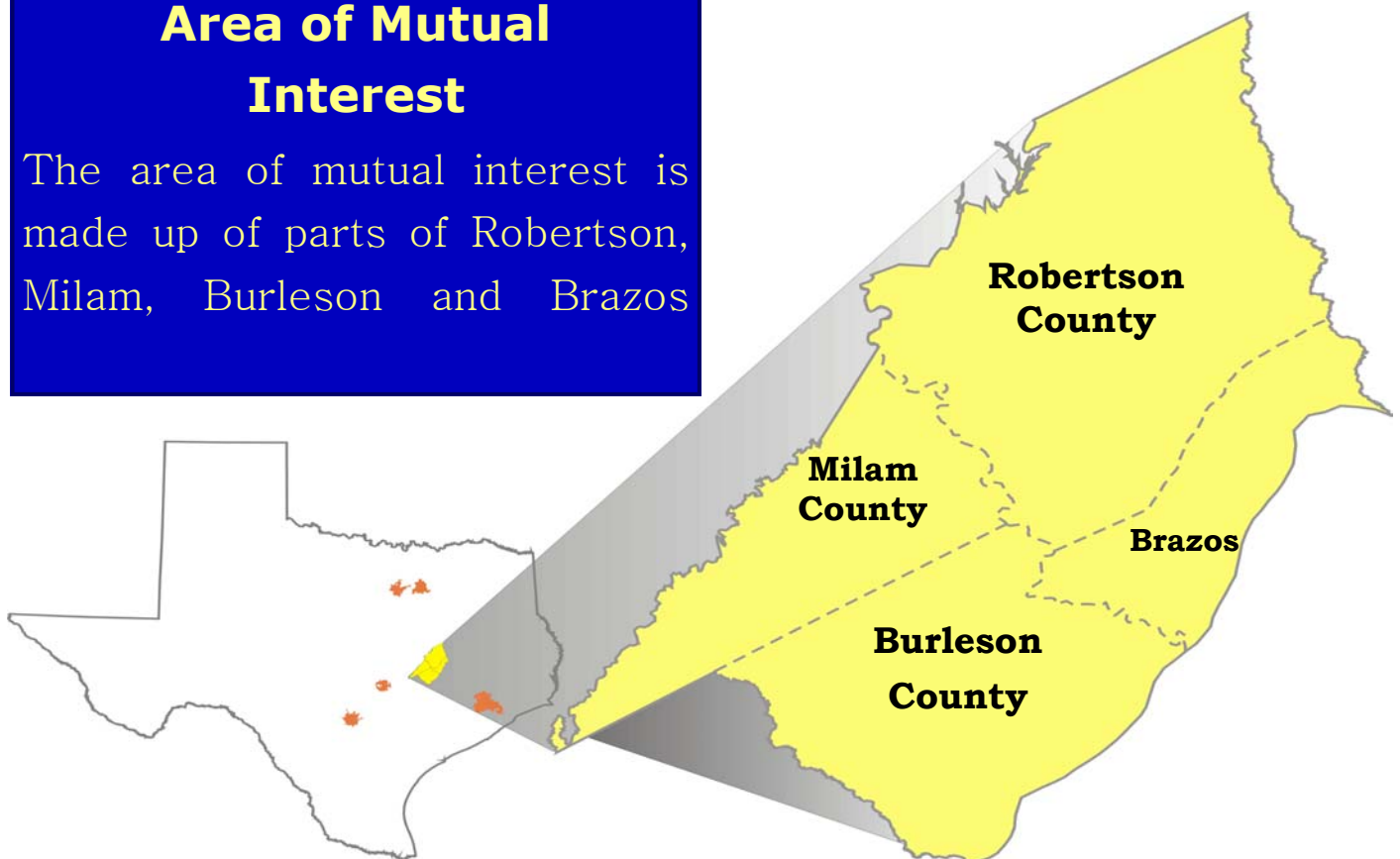
the quality water of the Simsboro Member of the Carrizo/Wilcox Aquifer. This area is made up of parts of Milam, Burleson, Robertson and Brazos Counties.

Landowners who join the Alliance will receive their proportionate share of 51% of the net profits and their proportionate share of 10% royalty on revenue from any development project thus ensuring that the majority of the revenue from any development will be placed directly in the hands of the property owners. Landowners who join the Alliance will be pooled or unitized over the area of interest much like a cooperative and all landowners

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Area of Mutual Interest

The area of mutual interest is made up of parts of Robertson, Milam, Burleson and Brazos



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will receive their proportionate share of revenues regardless of whether water productions occurs on their land or another

part of the four county area. Landowners who join the Alliance retain the right to use groundwater from other aquifers and retain the right to use the Carrizo/Wilcox on their property, thereby ensuring the right to drill wells for any domestic or agricultural uses.

The average property size from the Alliance’s area of interest is approximately 40 acres, thereby creating a need for Landowners to join together to protect their rights and benefit economically from this abundant valuable resource. The Alliance’s co-op

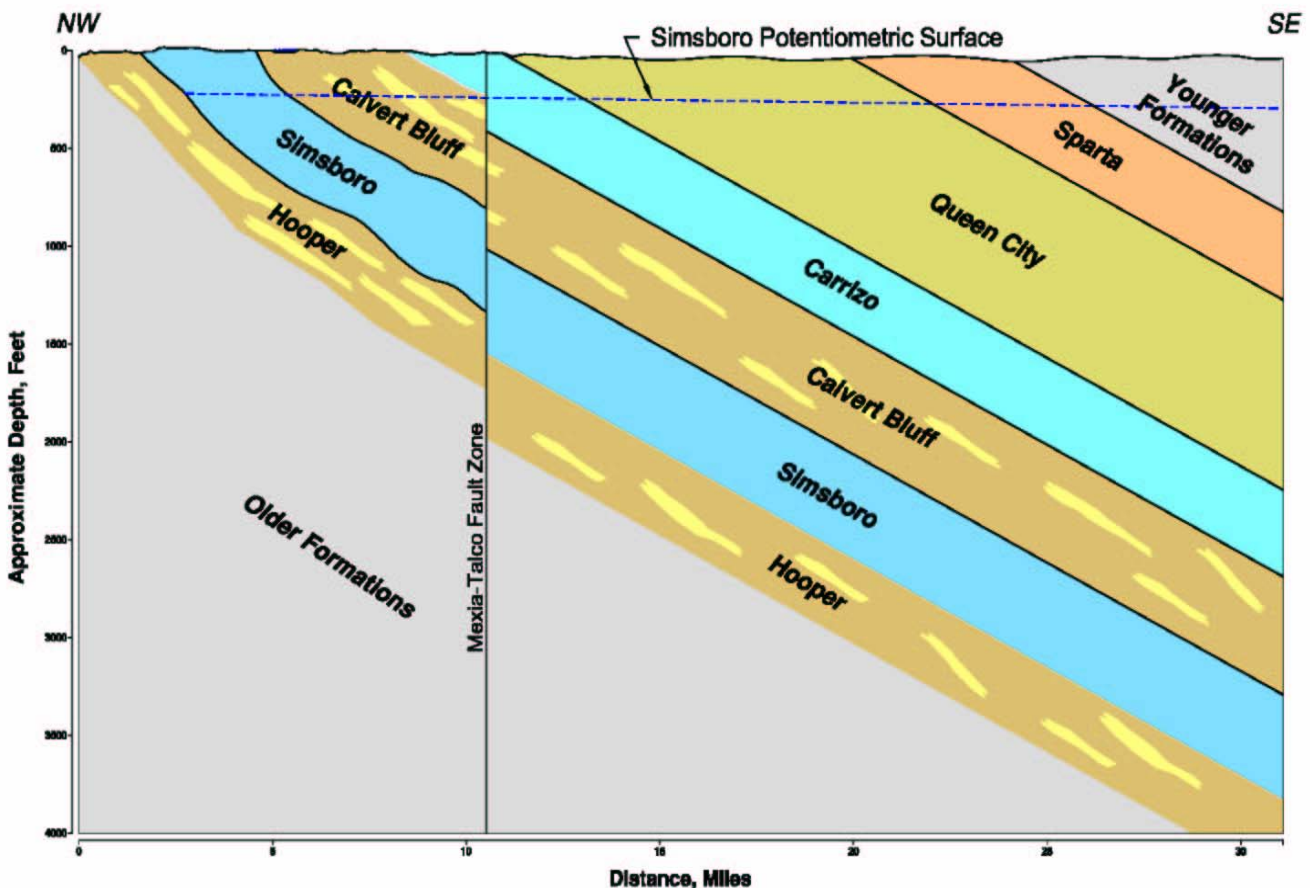
style structure offers a vehicle for landowners to join together and all landowners have the right to join.

The Aquifer

The Alliance’s area of interest consists of the high quality water of the Simsboro Member of the Carrizo Wilcox Aquifer, which contains an abundant quantity of available water for development while protecting all local historical and future use. The Carrizo/Wilcox Aquifer is one of the five major aquifers in the State of Texas

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Schematic Cross Section



Strategic Partnerships

Water Law and Governmental Affairs

McGinnis, Lochridge & Kilgore, L.L.P.
600 Congress Ave.
Suite 2100
919 Congress Avenue
Austin, TX 78701
(512) 495-6074

Groundwater Hydrologist

R.W. Harden & Associates, Inc.
3409 Executive Center Dr.
Suite 226
Austin, TX 78731
(512) 345-2379

Marketing Consultant

William B. Madden
Madden Asset Management
1901 North Akard Street
Dallas, TX 75201
(214) 855-5335

Business, Finance and Tax Representation

Stephenson & Snokhous
4544 Post Oak Place,
Suite 378
Houston, TX 77027
(713) 629-6960

Economic Development Initiative

The Alliance's structure of developing an available supply of water will protect local use and in turn distribute the majority of the revenue to the landowner. This will increase land values and provide cash flow to landowners, stimulating the economy through economic diversification. This diversification could place tens of millions of dollars per year directly into property owners' hands and the local economy and potentially infuse hundreds of millions of dollars over several decades in a very rural economy. In addition to the direct economic impact on the local landowners and economies, there will be substantial amounts of money paid, as required to the local Groundwater Conservation Districts that can be used to fund the management and protection of this resource. Additionally, the Alliance has earmarked an equity interest for

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and the Simsboro member, which is confined to the central Texas portion of the aquifer and contains approximately 200 million acre feet of recoverable water. Additionally, this aquifer has been proven to recharge providing for an abundant sustainable supply of water. Moreover, the Simsboro member falls in a very rural part of the State and is overlain by a number of very prolific minor aquifers. In fact, other than municipal water, almost all of the residential and agriculture production of water from this area comes from these minor shallower aquifers. This abundant supply of water has been well docu-

mented by studies conducted by the Texas Water Development Board, the Bureau of Economic Geology at the University of Texas, Region G Regional Water Planning Group, and R. W. Harden and Associates, Inc. and many others.

Current production from the Simsboro member is approximately 80,000 acre feet per year from the Cities of Bryan, College Station, Hearne, Rockdale, Texas A&M University, mining operations and others; however, the aquifer remains fully charged. The central location of this resource to potential end users makes the economics of development highly favorable.

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local charities in the four counties.

A development project undertaken by the Alliance will not only help meet the water needs of Texas but take care of the basin of origin through economic impact and conservation.

Development Status

The Alliance has been actively inviting property owners to join since January of 2002. To date, the Alliance has committed approximately 180,000 acres made up of more than 1,200 landowners through out the four county area of interest. We are the largest stakeholder in the central Texas portion of the Carrizo/Wilcox

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aquifer. The Alliance represents these property owners concerning water rights with a strong voice for the proper utilization and conservation of this precious natural resource. Our representation of our members is based on mutual benefit, not only for this generation, but future generations as well.

Brazos Valley Water Alliance, L.P.

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Or visit us online at
<http://www.brazoswater.com>