

PUBLIC HEARING - AGENDA
VARIANCE REQUEST
GROUND WATER MANAGEMENT AREA
December 12, 2006
Curtis, Nebraska

Hearing Agenda

1. Convene Hearing
2. Notice of Public Hearing
3. Statement of Purpose
4. Testimony
5. Close Hearing

OFFICIAL NOTICE OF THIS MEETING WAS PUBLISHED IN THE NORTH PLATTE TELEGRAPH AND THE MCCOOK DAILY GAZETTE AND WAS POSTED IN THE NRD OFFICE AND ON THE DISTRICT WEBSITE AT WWW.MRNRD.ORG. AS A COURTESY IT WAS ALSO PROVIDED TO LOCAL RADIO STATIONS.

STATEMENT OF PURPOSE - The purpose of this hearing is to receive testimony for a variance from the District's Ground Water Management Area Rules and Regulations.

Rule 4-1 Moratorium
PEI Lincoln Ethanol LP
(Wallace area ethanol plant)

Individuals were notified of the hearing by telephone, in person or by mail.

TESTIMONY

All persons testifying will state their name, address and who they represent. Written testimony shall be clearly marked to identify the provider. Testimony will be taken in the following order:

1. MRNRD Staff
2. Person requesting variance
3. Others in order set by Chairman
4. Questions by staff or directors

Close Hearing

Application For A Permit to Construct A Water Well (MTRNRD 10/03)
In The Middle Republican Natural Resources District Ground Water Management Act

1. Name and Address of Land Owner:

Murray Farms, LTD
c/o Gary Greder, Farm Manager
P.O. Box 1042

N. Platte, NE 69103

DNR & NRD USE ONLY	
Permit No.	_____
Reg. No.	_____
Received Date	_____

2. Purpose of Well (indicate one):

Irrigation Public Water Supply Industrial Other _____ (Specify type)

Amount of water to be pumped, if other than irrigation use _____ acre feet / gals (select one)

3. Identify the Location of the Proposed Well:

Lincoln County, Section 19
 Township 19 North, Range 33 West

NWNW	NENW	NWNE	NENE
SWNW	SENW	SWNE	*SENE
NWSW	NESW	NWSE	NESE
SWSW	SESW	SWSE	SESE
1320'			
	2640'		
		5280'	

The box at the right represents one square mile, (section). Indicate with an "X", the proposed location of the well. If the well is to be used for irrigation, outline lands to be irrigated.

The well will be located 1320 feet from the (North/South) section line, and 1320 feet from the (East/West) section line.

How many acres will be irrigated? N/A

Type of irrigation system. Center Pivot _____, Gravity _____, Other (specify) _____

Will Fertilizer or Chemicals be applied through the proposed system _____ Yes _____ No?

Will System be Electric _____ Fuel, powered?

Will the well be used in a system with other wells Yes _____ No? How many 1

Distance from nearest well 1/2 mile Type of well industrial

Have you checked county zoning requirements for well location Yes _____ No?

4. Replacement and Abandonment Well Information: (see #1 on reverse side)

A. Is this a replacement well? Yes _____ No

B. Registration number of abandoned well: A007393

C. Well to be replaced was last operated 2006

D. Replacement well is TBD feet from abandoned well.

E. Original well pump column size: 8 inches.

F. Decommissioning to be completed on TBD

G. Acres irrigated by well to be replaced. N/A

H. Acres Certified for well to be replaced. N/A

I. Is a flow meter installed on well to be replaced Yes _____ No?

5. Specifications of Intended Well and Pump:

Approximate date when construction will begin: October, 2007

Pump column diameter: 8 inches. Estimated total well depth 350-450 feet.

Estimated pumping capacity: 1000 gallons per minute. Well casing diameter: 14-18 inches.

Expected well log, if known. (Please provide a copy of test drilling report, if available)

6. I certify that I am familiar with the information contained in this application, and that to the best of my Knowledge and belief such information is true, complete and accurate.

Date 12/11/06

Signature of applicant Ralph Veil

Date Approved _____

NRD Representative _____

SEE OTHER SIDE FOR IMPORTANT RULES AND REGULATIONS!!

Middle Republican NRD
 P.O. Box 81
 Curtis, NE 69025

Phone (308)367-4281
 800-873-5613

Please take the time and fill out the information correctly. An incomplete or defective application returned by the District with 60 days being allowed for resubmission. All permits shall be issued by the District conditions attached or denied, not later than 30 days after receipt of a complete and properly prepared application sure to include correct fee payment with your application.

PERMIT RESTRICTIONS AND RULES AND REGULATIONS

1. A replacement well is one, which replaces a properly abandoned registered well that has been operated within last 3 years and is constructed to provide water to the same tract of land as the abandoned water well. It well may not consume more water than the well being replaced. Abandoned water wells must be decommissioned according to state guidelines. A copy of these guidelines is available from the Middle Republican Resources District.
2. Any person who intends to construct a water well, including replacement wells, shall, before commencing construction, apply with the District for a permit. No new well requiring a permit, other than replacement shall be constructed upon any land in this district within 1320 feet of any registered irrigation, industrial or water supplier well.
3. No permit shall be required for test holes, dewatering wells with an intended use of ninety days or less or a water well designed and constructed to pump fifty gallons per minute or less.
4. A permit is required for a water well designed and constructed to pump fifty gallons per minute or less if water is commingled, combined, clustered, or joined with any other water well or wells, or other water source other than a water source used to water range livestock. Such wells shall be considered one water well and a combined capacity shall be used as the rated capacity.
5. A person shall apply for a permit before he or she modifies a water well, for which a permit was not required when the well was constructed, into one for which a permit is now required.
6. The application shall be accompanied by a non-refundable \$50.00 filing fee.
7. Any person who has failed or in the future fails to obtain a permit, before construction is started, shall re-apply for a late permit.
8. The application for a late permit shall be accompanied by a non-refundable \$250.00 filing fee.
9. The application for a permit shall be denied if (1) the location or operation of the proposed water well or work would conflict with any regulations or controls adopted by the district, (2) the proposed use would not be beneficial use, (3) in the case of a late permit only, that the applicant did not act in good faith in failing to obtain a timely permit.
10. The issuance of a permit, or the registration of a water well, shall not vest in any person the right to violate any district rule, regulation, or control in effect on the date of issuance of the permit or the registration of the well or to violate any rule, regulation, or control properly adopted after such date. Well owners should be aware that state statutes allow an NRD to establish different provisions for a well constructed after the design of our management area on July 1, 1998.
11. The applicant shall commence construction as soon as possible after the date of approval and shall complete construction and equip the water well prior to the date specified in the conditions of approval, which shall not be more than one year from the date of approval.
12. All new and replacement wells must have a flow meter installed prior to use of the well. Flow meter must meet District standards.

To assist with field inspection, if possible, mark (with a flag) the proposed well site in the field. Include a copy of an FSA farm photo with the proposed well location and land ownership marked.

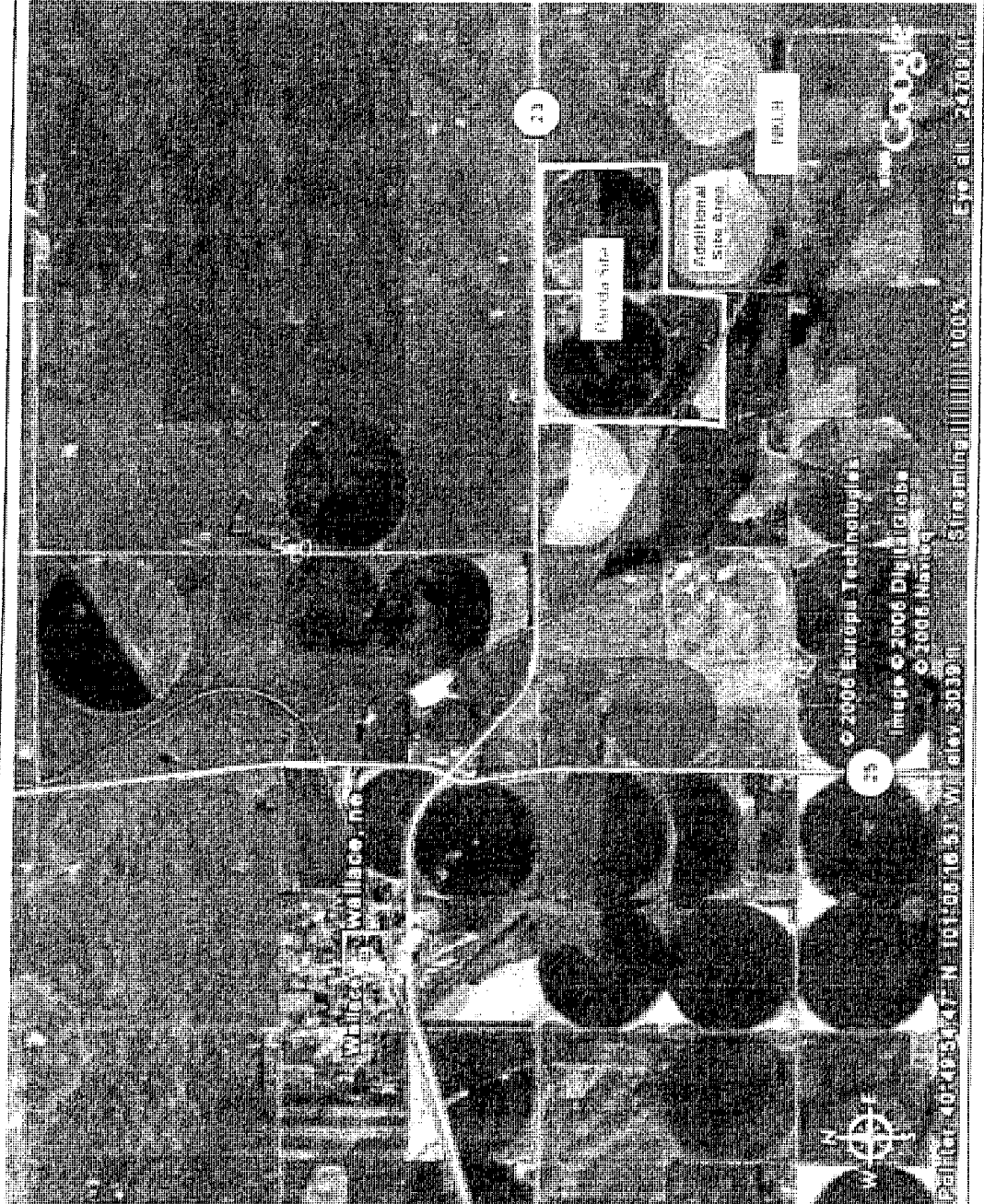
COMMENT:

See attached to request for variance for additional information.
Applicant has option to purchase the property.



PEI Lincoln Ethanol, L.P.

Project Location



350 Irr. Acres

The PEI Lincoln Ethanol Plant is 100 million gallon per year (nameplate) production facility proposed to be constructed on an approximate 550 acre agricultural site 2.5 miles east of Wallace at the intersection of Route 23 and Prairie Trace Road in Lincoln County. The Wallace Plant is a modern design that will be consistent with "industry standards" of 3-5 gal water/gal ethanol produced and will generate no process waste water discharge. This means that all of the evaporator condensates and all process waste water streams are recycled within the Plant. Only a non-contact water discharge stream, which is primarily the cooling tower blow down water, must be discharged to a nearby stream bed to prevent excessive mineral buildup in the cooling water.

The approximate raw water requirement for the Plant is 700 gallons per minute (3.07 gal/gal), of which 230 gpm is for process water makeup and about 470 gpm is for cooling tower makeup. The discharge stream will be about 94 gpm resulting in a net consumptive use of about 606 gpm (2.66 gal/gal). Therefore, the ratio of water discharged to the total water usage is 0.13. Pending on site raw water quality analysis, the final water balance will be calculated and more precise information will be available.

The process water makeup serves two primary functions, boiler makeup water (120 gpm) and carbon dioxide scrubber water (110 gpm). The boiler makeup water is largely to replace the steam that is directly used in the process, primarily the liquefaction jet. The carbon dioxide scrubber uses water to scrub residual ethanol out of the fermentor vents, and this water is further used as dilution water in the process.

The reason that this process makeup water is required is that water is retained in the feed co-products: the Distillers Grain (wet cake) and the Solubles (syrup). When this is taken out as a wet product (WDGS), the amount of water removed with the WDGS is equal to the amount of makeup water. When this material is dried (DDGS), the water leaves the dryer stack as water vapor.

The cooling tower makeup water serves to replace the water that evaporates in the tower and leaves by "drift". The cooling tower is used to reject low grade heat from the process, e.g., fermentation cooling, distillation and evaporation vapor condensing and various process cooling needs.

There are currently 3 pivot irrigation wells in agricultural service on the site and a stock well. The irrigation well registration numbers and production rates are:

- 1.) A-007393 Production rate unknown
- 2.) G-114701 Production rate 400 gpm
- 3.) G-048837 Production rate 900 gpm

Well testing will be performed on the existing irrigation wells to determine that the production capacity of the aquifer is adequate to service the Plant needs. The water plan is to utilize two wells for the Plant raw water supply. The 3 existing irrigation wells will be abandoned and plugged and 2 new production wells will be drilled in locations appropriate for the plant layout (to be determined later) and consistent with spacing requirements. It is expected that the design production rate of each well will be 1000

gpm. During Plant operations one well will be in service with the other in standby mode. Well operations may be rotated. A third, shallow well is also planned to serve plant personnel potable needs. It is expected that the potable well be designed for 25 - 49 gpm.

The proposed site for the ethanol plant development is currently under exclusive option agreement to PEI Panda Lincoln Ethanol, L.P. and consists of two properties. The two properties will be combined under common ownership as a single site for the Plant development when the purchase options are exercised: the first is the Murray Farms tract (approximately 400 acres) and the second is the Hasenauer tract (approximately 150 acres). The section number details are provided in the application forms. The entire site will be taken out of agricultural use and undeveloped areas of the site will either revert to or be planted in native grass cover material.

OUTFLOW GPM 2006

