

My name is Christopher Hotchkiss. I am an attorney in Austin who regularly practices before the Railroad Commission of Texas, and I am board Certified in Administrative Law through the Texas Board of Legal Specialization. I represented Jim Wright through part of a series of events that commenced several years ago.

I have seen multiple advertisements issued on behalf of Mr. Wright's opponent, which have asserted blatant falsehoods that Mr. Wright is responsible for "toxic sludge," "skipping out on fines," and other patently false representations.

The truth matters, and the following represent the truth. Each of the facts below is verifiable, and all the mentioned documents are publicly available.

- Mr. Wright formed DeWitt Recyclable Products, LLC ("DRP") with articles of organization in 2011. Mr. Wright was the sole manager/member and initial registered agent.
- Mr. Wright submitted a permit application to the Commission for the DeWitt County Facility - Commercial STF Facility with associated pits and reclamation permit in 2012. The Commission approved STF-043 permit, r9 02-1203 permit, and associated pit permits P011784, P011785, P011786, P011787, and P011788 in 2013.
- Mr. Wright sold DRP to Watson Energy Investments, LLC in 2014. Watson was owned and operated by James McCabe and David Elks. According to the Purchase and Sale Agreement, Mr. Wright (Seller) was to receive a down payment, other equal payments, and a royalty for materials processed through the facility. As security, Mr. Wright received a security interest in all DRP assets, as reflected in a Deed of Trust and Promissory Note, dated October 16, 2014, (amended in a Deed of Trust dated July 17, 2017.)
- Following the sale of DRP, Mr. Wright assisted Dewitt with obtaining an amended permit and agreed to stay on the Form P-5 until the amended permit was issued on April 12, 2016. On May 2, 2016, Mr. McCabe presented documentation to Mr. Wright showing that he had been removed from the Form P-5 and removed as registered agent for DRP. On September 30, 2016, Mr. McCabe added himself as the Chief Operating Officer and deleting Mr. Wright as an owner and manager on the Company's certificate of formation and articles of organization with the Texas Secretary of State.
- **Mr. Wright, however, had not been removed from the Railroad Commission Form P-5.**
- Mr. McCabe subsequently conveyed his interest in DRP to David Elks, who became the sole managing member of Dewitt.
- On December 20, 2016, the Commission issued to DRP a "NOTICE OF VIOLATIONS OF STATEWIDE RULES." On January 20, 2017, the Commission additionally issued to DRP a "CANCELLATION OF PERMITS AND CEASE AND DESIST." All notices and communications, however, were sent to the DRP physical address in Cuero, Texas. No notice was sent to Mr. Wright's personal address, even though it was still listed on DRP's Form P-5.
- **Mr. Wright, therefore, had no knowledge of the alleged violations.**

- In April 2017, when Mr. Elks failed to make the required payments under the Purchase and Sale Agreement, Mr. Wright contacted Mr Elks, and only then learned that Mr. Wright was still listed on The Form P-5 as the sole officer, that the facility was out of compliance, and that the facility had been ordered to cease and desist operations.
- On July 25, 2017, Mr. Elks sent a letter to the Commission advising of current conditions at the Facility and Mr. Wright's efforts to facilitate a cleanup while protecting his rights as a lienholder. Shortly thereafter, on September 15 2017, the Commission issued a letter to First National Bank of Shiner and collected DRP's financial assurance of \$807,580.00.
- Mr. Wright declared a default of the Purchase and Sale Agreement and deed of trust. Mr. Wright repossessed the facility and property on October 20, 2017, and continued cleanup of the facility. DRP and Mr. Wright entered into a settlement agreement, whereupon DRP and Mr. Elks assigned DRP's financial assurance, which had been collected by the Commission, to Mr. Wright.
- When Mr. Wright repossessed the Facility from DRP, there were numerous frac tanks containing unknown materials located on an unpermitted parcel of property adjacent to the facility. The frac tanks did not belong to DRP and the contents had not been manifested to DRP. Commission Enforcement Staff indicated they would allow Mr. Wright to seek a remedy from the owners of the frac tanks via litigation. Based on this understanding, Mr. Wright agreed to spend over \$1 million remediating the permitted area. Mr. Wright subsequently removed and properly disposed of the materials (mostly comprised of cement returns) in the frac tanks as well, again, using private funds.
- **No taxpayer funds have been used to clean the facility or the frac tanks.**
- In November 2017, in spite of the fact that Mr. Wright was not in operational control of the facility at the time the violations occurred, and even though Mr. Wright was unknowingly listed on the Commission Form P-5 as an officer of DRP, in an attempt to salvage the facility and his Investment, Mr. Wright met with the Commission's Enforcement Section and negotiated an Agreement for Settlement. Mr. Wright would place the facility into full compliance by December 15, 2017, and would pay an administrative penalty of \$181,519. Upon satisfaction of the Agreement, Mr. Wright would receive the financial assurance that had been collected from DRP.
- Prior to the December 15, 2017 deadline, Mr. Wright executed all his responsibilities under the Agreement for Settlement with the Commission in good faith. Mr. Wright has also paid the Administrative penalty in full according to the agreed-upon timetable.
- After the facility site was placed into compliance, Mr. Wright's newly-formed company, Eagleford Recycling LLC, applied for, and received approval for a waste separation and Recycling facility on the site on which the DRP facility initially operated.
- **Mr. Wright has spent well over a million dollars to place the DRP facility in full compliance with the Commission rules, and has paid all associated administrative penalties, even though he was not the responsible parties.**