

# **Exhibit 1**

**UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION  
BEFORE THE COMMISSION**

## **DECLARATION**

1. My name is Tommy E. Taylor and my business address is 6101 Holiday Hill Road, Midland, Texas 79707. I reside at 4100 Timberglen Circle, Midland, Texas 79707. My position with Fasken Management, LLC is Vice President and Director of Oil and Gas Development. I am authorized by the business to execute this declaration on its behalf and on behalf of the Permian Basin Coalition of Land and Royalty Owners and Oil & Gas Operators (PBLRO) of which I am an officer.
  2. This declaration is in support of the Motion for Leave to File New and/or Amended Contention of Fasken Land and Minerals and the PBLRO in the above-captioned docket.
  3. Fasken Land and Minerals, of which Fasken Management, LLC is its General Partner, is engaged in ranching as well as oil and gas extraction and production activities. The business currently operates active oil and gas properties within eighteen miles of the proposed ISP CISF. The PBLRO presently has lands, mineral interests, and active leases throughout Andrews County with a founding member owning land within four miles of the proposed ISP CISF.
  4. I am personally familiar with other members of PBLRO of which there are 65 individual members with multiple ranchers engaged in agricultural activities and owning land in the area for over a century and at least three members being publicly traded corporations (two integrated and one large independent oil and gas operator) as well as numerous private companies involved in the extraction and production of oil and gas in the Permian Basin.
  5. As the Director of Oil and Gas Development for Fasken, I am personally familiar with ongoing oil and gas activities in the vicinity of the proposed CISF and throughout the Permian Basin. Fasken has owned the land and minerals within the vicinity of the proposed CISF for over a century and drilled its first well in the Permian Basin approximately 70 years ago. I also have personal knowledge of the activities of other oil and gas entities that are members of the PBLRO, one of which began drilling in the Permian Basin approximately 80 years ago and has extensive interests within close proximity to the proposed CISF. Neither Fasken nor any member of the PBLRO has relinquished control of their interests for the proposed ISP CISF.

6. I am personally familiar with the agricultural use of the land within the vicinity of the proposed site and of the members of the PBLRO that graze their animals within four miles of the proposed CISF and draw water from wells that are fed by groundwater from formations that are present beneath the proposed CISF.
7. My understanding is that Interim Storage Partners (ISP) plans to establish a facility at the proposed site to store spent nuclear fuel from commercial reactors in the United States.
8. I understand that a significant radiation release during the transport of spent fuel is a possibility and that it may contaminate areas in which Fasken Land and Minerals, Ltd. and other members of PBLRO have oil and gas and other property interests and/or extraction and production facilities.
9. I understand that even the most minimal transportation incident, such as a derailment or collision involving spent fuel, would amount to a dangerous materials emergency that has the potential to interrupt or foreclose further oil and gas extraction/production activities within the area of the incident as well as adversely affecting the recipients of oil commodities which are regularly transported by rail. A transportation incident involving either of the two rail lines named in ISP's Draft Environmental Impact Statement (DEIS) would likely diminish or has the potential to eliminate the economic value of oil and gas assets belonging to Fasken and other members of PBLRO.
10. Even the most minimal transportation incident involving spent fuel has the potential to interrupt or foreclose agricultural and ranching activities in the Permian Basin, thereby diminishing or eliminating the economic value of the real property interests and assets of Fasken and other members of the PBLRO.
11. Both Fasken and the PBLRO regularly utilize rail transportation to support their industries. Those named in the DEIS at issue, Union Pacific (UP) and the Texas-Mexico Railroad (TNMR), both serve the oil, gas, agricultural and ranching industries in the region of the proposed CISF. According to Union Pacific, two of its four key operating segments are the agricultural and energy industries. Union Pacific reported revenue from energy freight in 2019 as \$3.8 billion. It reports that railroads are the most efficient and cost-effective means of transportation of crude, frac sand, and petroleum by-products and transported 1.4 million carloads of energy freight shipments in 2019. In fiscal year 2019, agricultural commodities accounted for 18% of UP's shipments and energy freight accounted for 22%. The Texas-New Mexico Railroad extends from a UP connection at Monahans, Texas. It is one of two lines owned by Watco that primarily serve the Permian Basin. Watco reports oilfield commodities as its primary shipments on the TNMR and agricultural commodities as primary on its Lubbock and Western Railways shipments.
12. With regard to energy freight: Fasken relies upon the rail lines of the Permian Basin primarily for sand, acid, casing and tubing, cement, gel, and various liquid and dry chemical components that are used for blending associated products that are all necessary to drill and complete an oil well and bring it to production. PBLRO members utilize the Permian Basin rail lines primarily for materials similar to that of Fasken but also for water, additional frac chemicals, and acid. According to the DEIS, the proposed CISF would utilize the same rail lines which the oil and gas industry of the Permian Basin relies upon. Any hazardous materials emergency upon the rails that interferes with energy freight poses a loss of millions of dollars per day affecting multiple operators in the Permian Basin. As an example, a typical Fasken horizontal multi-well drilling project

cannot be completed until the staging of materials is achieved. Rail delays amount to potential lost production totals of approximately 5,800 barrels of oil per day (BOPD) and 3,500 cubic feet (MCF) of gas daily, per multi-well horizontal drilling pad. This equates to a loss of \$350,000 daily and \$10.6 million monthly in lost production from a single multi-well pad. A delay on the rails that results in standby costs on a frac job amount to \$115,000 per day, per well and drilling rig operation standby costs amount to \$50,000 per day, per drilling rig. Additionally, leases are susceptible to termination under Texas' rules on nonproducing wells. In the event such a loss occurs, an operator such as Fasken, or one of the members of the PBLRO, stands to lose a capital investment of \$10 to \$14 million per well. Possible remedies, including lease extensions, are onerous and expensive. As a representative of the industry, one must look to the risk posed by sharing the same rail lines that have primarily been transporting oil commodities with spent fuel. One must also question whether an objective and thorough analysis of possible injury to the oil and gas industry will be conducted as part of a risk assessment.

13. The single-track railway proposed in the DEIS for the transport of spent fuel traverses through rural, remote areas. The DEIS and the transportation studies referenced in the DEIS fail to determine the risks and vulnerabilities relating to the remoteness of the majority of said rail lines. Although the rail lines in the Permian Basin are a major means of transportation, they are situated in desert-like areas served mostly by volunteer fire departments or areas lacking emergency responder resources. In consulting crane operators regarding the DEIS, there are real logistical problems in situating a crane capable of resetting a spent fuel transport cask and rail car in some of the more remote areas of the Permian Basin. Also, a single hazardous materials emergency would not only have a detrimental effect upon the oil and agricultural industries of the Permian Basin but would also likely overwhelm our first responders and the small communities adjacent to the rail track.
14. The DEIS and the transportation study referenced by the DEIS fail to account for the subsidence, sink holes and seismicity prone areas of the Permian Basin through which the spent fuel will be transported.
15. The DEIS and the transportation study referenced by the DEIS fail to account for rail related accidents in the Permian Basin. Not including derailments, the region has experienced a highly significant increase in rail related crashes in recent years. In fact, the Midland-Odessa Transportation Alliance (MOTRAN) reports that from 2016-2018, there were 158 rail related crashes in the Texas Department of Transportation Odessa District with just over half of those accidents occurring in Midland and Ector Counties. This is the very area through which the spent fuel shall be transported via rail. MOTRAN reports that during that same period, other Permian Basin counties also experienced drastic increases: Ector County saw a 55% increase, Reeves saw a 266% increase, and Ward County saw a 700% increase in rail related crashes.
16. I am personally familiar with oil and gas activity in the vicinity of the proposed CISF and of the approximately 120 individual persons required to facilitate the completion of each, individual oil and gas well in the vicinity of the proposed CISF. The potential harm to those individuals in the oil and gas industry, the potential harm to the ranchers and livestock, the potential impacts upon agriculture and, especially, upon human mortality and morbidity rates, and the economic costs associated with medical care and treatment

of radiation related conditions could possibly affect Fasken and other members of PBLRO.

17. The CISF proposed transportation method of sharing the rail lines of the Permian Basin with the oil, gas, and agricultural industry of the region is a flawed proposal. An integral part of the DEIS and its transportation study must include an objective, comprehensive analysis of the issues raised in this declaration and of the very real potential that the transport of spent fuel via rail through the Permian Basin could diminish or foreclose further development of oil and gas assets of Fasken, of the members of the PBLRO and of the entire Permian Basin.
18. In order to assure that the licensing decision in this matter adequately protects the interests of Fasken and other PBLRO members and to protect the economic interests of Fasken and PBLRO, of which I am a part, I am authorized to effect the participation of both Fasken and PBLRO in the above-captioned NRC docket.
19. As a petroleum engineer with 35 years of oil and gas production experience, the contentions raised by petitioners in this matter are sound.

Under penalty of perjury, the above is true and correct to the best of my knowledge and understanding.

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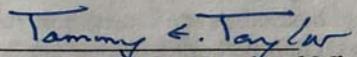
Declarant: Fasken Land and Minerals, Ltd.  
By Fasken Management, LLC, its General Partner  
Tommy E. Taylor, Vice President

/s/ Tommy E. Taylor

Date: July 6, 2020

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7/6/2020  
Date