



JMAC Energy Services, LLC  
121 48<sup>th</sup> Ave SW  
Williston, ND 58801

To the Energy and Natural Resources Committee:

To Chairman Porter and Members of House ENR Committee,

#### WAWS DEBT RELIEF WILL HURT PRIVATE WATER SELLERS

I am the owner of JMAC Energy Services LLC and its subsidiary West Dakota Water LLC. We have been in the water business for over ten years competing with WAWS. During that time WAWS has dropped their price from \$.84/bbl to as low as \$.37/bbl to gain market share and pay back their loans. This strategy has obviously failed and now WAWS is obtaining massive debt relief. While it was difficult competing with a several hundred-million-dollar behemoth like WAWS, it will be even more difficult competing with WAWS after they experience this debt relief.

#### PRIVATE WATER SELLERS CANNOT OBTAIN DEBT RELIEF

WDW is a leading water seller in the Bakken, but it has never paid a dividend, and as the owner, I have never collected any salary or compensation whatsoever. We also have debt that we need to repay due to many factors; the number one factor has been the competition from WAWS and its subsidized price (selling below the rate required to pay for their investment). We have had several customers go into bankruptcy, we have had customers renege on their promises, and in total we have lost millions and millions of dollars in the troughs of the market. Yet there is no relief for us.

#### IT IS UNFAIR TO RELIEVE THEIR DEBT AND NOT RE-ESTABLISH THE ORIGINAL WATER PRICE

It is the belief of myself as well as most persons in the water business that WAWS would have more funds to repay their remaining debt if they were to stick to their original price of \$.84/bbl. WAWS water is the only water treated to drinking standards in the Bakken, and as such has the highest marginal cost of any water supplier, therefore they are only used when there is no other water supply nearby the need. Their sales are driven by water availability, not price. While having a higher price may from time to time decrease their number of barrels sold, it will most definitely increase their profit margin and total revenue in dollars. WAWS, the Bank of North Dakota, and the state of North Dakota are better off

with a higher WAWS price. The independent water sellers should not be required to compete with the 'subsidized' pricing WAWS has been using.

WE CAN SUPPORT THE CHANGES TO WAWS ONLY IF THEIR WATER PRICE IS FIXED AT THE ORIGINALLY PROMISED \$.84/BBL. PLEASE PUT A STOP TO THE UNFAIR COMPETITION AS YOU FIX SOME OF THE PROBLEMS WITH THE FAILED WAWS STRATEGY.

Sincerely,

A handwritten signature in black ink that reads "Jon McCreary". The signature is written in a cursive style with a large, looping "y" at the end.

Jon McCreary  
Owner