

SECTION II – OPERATIONAL THEATER OVERVIEW

II.1 Theater Description

The Texas Water–Energy–AI Corridor occupies a six-county operational zone in Northeast Texas–Hopkins, Franklin, Titus, Delta, Red River, and Morris Counties. This region contains a concentration of interstate gas pipelines, high-voltage transmission corridors, AI mega-hub infrastructure, contaminated legacy mining lands, wetlands and Sulphur River tributaries, high-probability Caddo mortuary landscapes, proposed reservoir inundation zones, and local-government economic-development projects.¹

Together, these systems form an integrated operational theater activating federal jurisdiction through environmental statutes, interstate-commerce authority, Tribal-protection law, and public-corruption statutes.²

II.2 AI Mega Hub Operational Environment (MSB Global / Matrix Data Center)

The AI complex in Hopkins County functions as the anchor load driving the corridor’s energy, water, and land-acquisition patterns.^{3, 4}

A. Load Characteristics

The site’s confirmed attributes include:

- Estimated 2.5–3.0 GW continuous electrical demand⁵
- 24/7 cooling and industrial-water loads
- Dependency on transmission lines, substations, and natural-gas feedstock

B. Land & Environmental Position

The AI mega-site is positioned adjacent to coal-ash plumes, contaminated mining tracts, and groundwater vulnerability zones–triggering:

- CERCLA liability (42 U.S.C. § 9607)
- RCRA imminent-hazard authority (42 U.S.C. § 6973)
- SDWA groundwater jurisdiction (42 U.S.C. § 300f et seq.)

¹ MSB Global Services. “Sulphur Springs Data Center in Matrix Reserve.” Accessed November 25, 2025. <https://msbglobalservices.com/sulphur-springs/>

² 42 U.S.C. § 4332(C)(2024).

³ KLTV. “Work Underway on Massive AI Data Center in Sulphur Springs.” September 30, 2025. <https://www.kltv.com/2025/10/01/work-underway-massive-ai-data-center-sulphur-springs/>

⁴ McCorkle, Christina. “City, County Residents Speak Out, Call for Transparency about AI Data Centers to Be Built.” *Sulphur Springs News-Telegram*, October 10, 2025. <https://www.ssnewstelegram.com/news-newsletter/city-county-residents-speak-out-call-transparency-about-ai-data-centers-be-built>

⁵ Aterio. “Before the Headlines: A 3GW AI Data Center Campus Quietly Rises in Sulphur Springs, TX.” July 9, 2025. <https://www.aterio.io/blog/before-the-headlines-a-3gw-ai-data-center-campus-quietly-rises-in-sulphur-springs-tx>

C. Legal & Federal Oversight Implications

The hub initiates federal oversight through:

- Interstate transmission (Federal Power Act)
- Natural-gas supply chains (Interstate Commerce Clause)
- Cross-media contamination (EPA enforcement)
- Cumulative-impact duties (NEPA, 42 U.S.C. § 4332(C))

D. Why This Node Is the Operational Driver

The entire pipeline → transmission → reservoir chain is built outward from the AI load.⁶

The AI node creates the *stated rationale* for:

- more pipelines,
- more transmission,
- “new water supply,” and
- a Region C reservoir strategy.

Thus, the AI site is the decisive operational pressure point.

II.3 Pipeline & Gas Infrastructure Environment

Pipeline actors include Energy Transfer, Kinder Morgan, Enterprise Products, Williams, and Atmos.⁷

A. Operational Patterns

Evidence shows:

- clustering of new gas permits around the AI site,
- rights-of-way routed through future reservoir lands,
- compression fields oriented toward Hopkins County,
- early routing across timberlands and mitigation-bank zones.

B. Relevant Federal/State Authorities

Pipelines trigger:

- CWA § 404 (33 U.S.C. § 1344)
- NHPA § 106 consultation (54 U.S.C. § 306108)
- Hobbs Act extortion (18 U.S.C. § 1951)
- RICO predicate-act exposure (18 U.S.C. §§ 1961–1968)
- Interstate-commerce nexus (*United States v. Robertson*, 514 U.S. 669 (1995))

⁶ KLTk/YouTube or Aterio video: “3GW Net Zero Matrix Data Center Campus, Sulphur Springs, Texas.” YouTube video, 3:04. Posted July 2025. https://www.youtube.com/watch?v=bWzldm8dA_0

⁷ Douglas, Elizabeth. “Kinder Morgan to Start Working on a 216-Mile Natural Gas Pipeline in Katy.” *Houston Chronicle*, January 30, 2025. <https://www.chron.com/news/houston-texas/article/gas-pipeline-kinder-morgan-20053613.php>

C. Operational Consequence

Pipeline easements crossing wetlands or burial landscapes automatically trigger USACE, EPA, DOI, and NAGPRA compliance, expanding federal jurisdiction.

II.4 Transmission Infrastructure (ERCOT / Oncor)

ERCOT and Oncor have already initiated:

- new high-voltage lines into Hopkins County,^{8, 9}
- new substation development near Sulphur Springs,
- integration corridors aligned with reservoir-footprint lands.

A. Legal Triggers

Transmission expansion activates:

- Federal Power Act (interstate grid reliability)
- ESA § 7 (16 U.S.C. § 1536(a)(2))
- NEPA cumulative-impact review (42 U.S.C. § 4332(C))
- CWA § 404 for water crossings
- NHPA § 106 review

B. NEPA Anti-Segmentation

Under *Kleppe v. Sierra Club*, agencies may not segment interdependent projects.

Here, transmission, pipelines, AI load, and reservoir impacts overlap in:

- geography,
- hydrology,
- demand modeling,
- environmental consequences.

This satisfies the anti-segmentation definition.

II.5 Water-Planning Environment (TWDB / Region C / Region D)

A. Region C's Role

Region C:

- embeds AI water loads inside "municipal demand,"
- claims DFW is "running out of water,"
- withholds inflow data,

⁸ Malewitz, Jim. "ERCOT Gets OK to Use High-Voltage Lines, Creating Texas Power Superhighway." *San Antonio Express-News*, April 18, 2025. <https://www.expressnews.com/business/article/puc-ercot-765kv-33b-texas-power-grid-transmission-20292601.php>

⁹ "MRT Business Staff. 'Texas Approves High-Voltage Lines to Meet Permian Basin Power Demand.' *Midland Reporter-Telegram*, April 18, 2025." <https://www.mrt.com/business/oil/article/texas-high-voltage-lines-permian-basin-20292980.php>

- overrides Region D objections,
- relies on consultant-manufactured necessity.

This exposes Region C to:

- false-statement liability (18 U.S.C. § 1001)
- False Claims Act exposure (31 U.S.C. §§ 3729–3733),
- Texas record-tampering liability (Tex. Penal Code § 37.10).

B. TWDB's Role

TWDB declared Marvin Nichols “feasible” prematurely, violating:

- Tex. Water Code § 16.053,
- NEPA predetermination doctrine,
- *Kleppe v. Sierra Club's* anti-segmentation rule.

C. Alternatives Ignored

Region C and TWDB failed to analyze:

- reuse,
- conservation,
- Toledo Bend,
- surface/groundwater integration,
- AI-neutral water policies.

Under the § 404(b)(1) LEDPA rule (40 C.F.R. pt. 230), failure to consider practicable alternatives **bars issuance of a reservoir permit**.

II.6 Contamination Environment (Thermo Mine / Coal Ash / Groundwater)

A. Confirmed Contaminants

Arsenic, boron, chromium, molybdenum, and other coal-ash constituents are migrating into White Oak Creek and the Sulphur River Basin.

B. Federal Statutes Triggered

- CERCLA PRP liability (42 U.S.C. § 9607)
- RCRA imminent-hazard authority (42 U.S.C. § 6973)
- CWA § 301 discharge prohibition (33 U.S.C. § 1311)
- SDWA groundwater provisions (42 U.S.C. § 300f)

C. Why This Is a Federal Blocker

USACE cannot legally authorize a reservoir over:

- contaminated hydrology,
- CERCLA-implicated lands,
- active RCRA hazards.

Any one of these bars federal permitting.

II.7 Tribal & Cultural Landscape Environment

A. Confirmed Archeological Features

Evidence across Titus, Franklin, Morris, and Red River Counties confirms: ¹⁰

- 1,000+ probable Caddo burials, ¹¹
- Titus Phase ceremonial vessels, ¹²
- mound/village complexes,
- widespread un-excavated mortuary landscapes.

B. Statutory Triggers

- NHPA § 106 (54 U.S.C. § 306108)
- NAGPRA (25 U.S.C. §§ 3001–3013)
- ARPA (16 U.S.C. §§ 470aa–470mm)
- Federal trust responsibilities
- Treaty obligations

C. Controlling Case Law

- *Quechan Tribe v. DOI*, 755 F. Supp. 2d 1104 (S.D. Cal. 2010)
- *Pueblo of Sandia v. United States*, 50 F.3d 856 (10th Cir. 1995)
- *Nat'l Trust v. Blanck*, 938 F. Supp. 908 (D.D.C. 1996)

Each holds that failures to consult Tribes, identify sacred sites, or mitigate cultural harm require federal injunction.

II.8 Land, Eminent Domain & Property Environment

A. Acquisition Patterns

Land purchases by Hunt, Perot/Hillwood, Bass/CEM, timber trusts, and anonymous LLC clusters align with:

- reservoir shoreline,
- pipeline corridors,
- transmission expansion paths,
- mitigation-bank zones.

B. Legal Exposure

¹⁰ Perttula, Timothy K. "Archaeological Investigations at the Pilgrim's Pride Site." *Caddo Archeology Journal* 2005. <https://caddoconference.org/library/perttula2005a.pdf>

¹¹ Perttula, Timothy K. "The Titus Phase." In *Tejas: Caddo Ancestors*, Texas Beyond History, University of Texas at Austin. Accessed November 25, 2025. <https://www.texasbeyondhistory.net/tejas/ancestors/titus.html>

¹² Perttula, Timothy K. "Ancestral Woodland and Caddo Cemetery/Burial and Sacred Sites in East Texas." *Index of Texas Archaeology: Open Access Gray Literature from the Lone Star State* 2020. <https://scholarworks.sfasu.edu/ita/vol2020/iss1/65/>

- Hobbs Act extortion (18 U.S.C. § 1951)
- Takings Clause violations (U.S. Const. amend. V; Tex. Const. art. I, § 17) ¹³
- Texas record tampering (Tex. Penal Code § 37.10)
- Misuse of office (Tex. Penal Code § 39.02)

C. Federal Consequence

Pre-positioning land for private use under public authority aligns with the fraud and racketeering patterns recognized in *Bridge v. Phoenix Bond*, 553 U.S. 639 (2008), and RICO predicate-act doctrine. ¹⁴

II.9 Operational Threat Picture Summary

The corridor produces:

- criminal exposure,
- environmental violations,
- cultural-site destruction,
- regulatory capture,
- federal jurisdiction at multiple levels,
- land/water seizure dynamics,
- corruption indicators,
- disproportionate harm to rural and Tribal communities.

¹³ Tex. Const. art. I, § 17.

¹⁴ *Bridge v. Phoenix Bond & Indem. Co.*, 553 U.S. 639 (2008).