

PECAN VALLEY GROUNDWATER CONSERVATION DISTRICT
107 N. GONZALES CUERO, TX 77954

PUBLIC HEARING AND BOARD MEETING

MINUTES

AUGUST 16, 2011 – 2:00 P.M.

Board Members Present: Darnell Knippa, Chairman (Pct 2), Tim Pennell, (Pct. 1), Wilbert Sauermilch, Secretary/Treasurer (Pct. 3), Gil Riedesel, (Pct. 4), and Clem Waskow, Director (At Large).

Also in attendance: Charlotte Krause, GM, and Marcia Mann, Administrative Assistant.

Guests: Bill Pace (Conoco/Phillips/Burlington), Alfred Peters, David Schroeder, Sandra Marie, Louis Ted Winslow, William Bergey, Lucille Gips, Cynthia Hamilton, and Jack Rickman.

1. Call to Order: The meeting was called to order by the Chairman at 2:00 P.M.
2. Welcome Guests: Chairman welcomed guests and thanked them for their interest.
3. Public Comment: None at this time.
4. A. Public Hearing on the Operating Permit Application from Petrohawk Energy on Betty Warren's property. The proposed permit is to hydraulic fracture an oilfield location. The Operating Permit application is requesting 20 acre feet of water per year for a total of 35 AF per year. This property is located on Schlenstadt Rd. near Westhoff, Texas and involves 243.78 acres: No public comment or objection stated.
B. Discussion and possible action on the Operating Permit Application from Petrohawk Energy on Betty Warren's property: A motion to approve the operating permit for 20 AF of water per year for a total of 35 AF per year was made by Gil Riedesel, seconded by Clem Waskow, and carried unanimously.
5. A. Public Hearing on the Operating Permit Application from Petrohawk Energy on Jim and Frances Petter's property. The proposed permit is to hydraulic fracture an oilfield location. The operating permit application is requesting 20 acre feet of water per year. This property is located on Hulse Rd. near Hochheim, Texas and involves 152.73 acres: No public comment or objection stated.
B. Discussion and possible action on the Operating Permit Applications from Petrohawk Energy on Jim and Frances Petter's property: A motion to approve the operating permit for 20 AF was made by Clem Waskow, seconded by Tim Pennell, and carried unanimously.
6. A. Public Hearing on the Operating Permit Application from Petrohawk Energy on John R. Blackwell's property. The proposed permit is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 20 AF (acre feet) of water per year. This property is located on Boldt Rd. near Westhoff, Texas and involves 249.5 acres: No public comment or objection stated.

- B. Discussion and possible action on the Operating Permit Application from Petrohawk Energy on John R. Blackwell's property:** A motion to approve operating permit for 20 AF was made by Tim Pennell, seconded by Clem Waskow, and carried unanimously.
7. **A. Public Hearing on the Operating Permit Application from Petrohawk Energy on Larry Wayne Geffert's property.** The proposed permit is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 20 AF (acre feet) of water per year. This property is located on Klein Rd. near Garfield, Texas and involves 102.75 acres: No public comment or objection stated.
- B. Discussion and possible action on the Operating Permit Application from Petrohawk Energy on Larry Wayne Geffert's property:** A motion to approve operating permit for 20 AF of water was made by Clem Waskow, seconded by Tim Pennell, and carried unanimously.
8. **A. Public Hearing on the Operating Permit Application from Petrohawk Energy on John Guevara's property.** The proposed permit is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 15 AF (acre feet) of water per year for a total of 30 AF per year. This property is located on Williams Rd. near Yoakum, Texas and involves 125 acres: GM stated that this is for the second location on this property.
- B. Discussion and possible action on the Operating Permit Application from Petrohawk Energy on John Guevara's property:** A motion to approve the operating permit in the amount of 15 AF, for a total of 30 AF per year, was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.
9. **A. Public Hearing on the Operating Permit Application from Petrohawk Energy on James Nelson's property.** The proposed permit is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 15 AF (acre feet) of water per year. This property is located on FM 2656 near Yorktown, Texas and involves 91.5 acres: GM explained that the original permit application requested 40 AF. Applicant later called and asked that GM reduce the amount requested to 15 AF. Application form was not changed; however, only the requested 15 AF was published in the legal notice.
- B. Discussion and consideration of the Operating Permit Application from Petrohawk Energy on James Nelson's property:** A motion to approve the operating permit in the amount of 15 AF was made by Wilbert Sauermilch, seconded by Tim Pennell, and carried unanimously.
10. **A. Public Hearing on the Operating Permit Application from Petrohawk Energy on James and Mary Lyman's property.** The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 22 AF (acre feet) of water per year. This property is located on Blank Rd. near Hochheim, Texas and involves 44.7 acres: GM verified that spacing for this well is according to PVGCD Rules.
- B. Discussion and possible action on the Operating Permit Application from Petrohawk Energy on James and Mary Lyman's property:** A motion to approve operating permit in the amount of 22 AF was made by Gil Riedesel, seconded by Clem Waskow, and carried unanimously.
11. **A. Public Hearing on the Operating Permit Application from Petrohawk Energy on Robert Dutton Lane's property.** The proposed permit application is to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 20 acre feet of water per year for a total of 35 AF per

year. This property is located on Hartman Rd. near Cuero, Texas and involves 476.9 acres: No public comment or objection stated.

B. Discussion and possible action on the Operating Permit Application from Petrohawk Energy on Robert Dutton Lane's property: A motion to approve the operating permit in the amount of 20 acre feet was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.

12. **A. Public Hearing on the Operating Permit Application from Petrohawk Energy on Robert McCurdy's property.** The proposed permit application is to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 20 AF (acre feet) of water per year. This property is located on McCurdy Rd. near Cuero, Texas, and involves 532 acres: No public comment or objection stated.

B. Discussion and possible action on the Operating Permit Application from Petrohawk Energy on Robert McCurdy's property: A motion to approve the operating permit in the amount of 20 acre feet was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.

13. **A. Public Hearing on the Operating Permit Application from Petrohawk Energy on Letty Hartman Lloyd's property.** The proposed permit application is to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 20 AF (acre feet) of water per year. This property is located on FM 2816 near Westhoff, Texas and involves 330 acres: No public comment or objection stated.

B. Discussion and possible action on the Operating Permit Application from Petrohawk Energy on Letty Hartman Lloyd's property: A motion to approve the operating permit in the amount of 20 acre feet was made by Gil Riedesel, seconded by Clem Waskow, and carried unanimously.

14. **A. Public Hearing on the Operating Permit Application from Petrohawk Energy on Rosemary Sheppard's property.** The proposed permit application is to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 20 AF (acre feet) of water per year. This property is located on Hwy 183N near Cuero, Texas and involves 271.94 acres: No public comment or objection stated.

B. Discussion and possible action on the Operating Permit Application from Petrohawk Energy on Rosemary Sheppard's property: A motion to approve the operating permit in the amount of 20 acre feet was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.

15. **A. Public Hearing on the Operating Permit Application from Petrohawk Energy on Kristine Eichhorn Schroeder's property.** The proposed permit application is to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 20 AF (acre feet) of water per year. This property is located at the intersection of FM 766 and Bellevue Cemetery Rd. near Cuero, Texas and involves 150.75 acres: No public comment or objection stated.

B. Discussion and possible action on the Operating Permit Application from Petrohawk Energy on Kristine Eichhorn Schroeder's property: A motion to approve the operating permit in the amount of 20 acre feet was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.

16. **A. Public Hearing on the Operating Permit Application from Petrohawk Energy on Erwin Landgrebe's property.** The proposed permit application is to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 20 AF (acre feet) of water per year. This property

is located on Cabeza Rd. near Nordheim Texas and involves 81.77 acres: No public comment or objection stated.

B. Discussion and possible action on the Operating Permit Application from Petrohawk Energy on Erwin Landgrebe's property: A motion to approve the operating permit in the amount of 20 acre feet by Gil Riedesel, seconded by Clem Waskow, and carried unanimously.

17. **A. Public Hearing on the Operating Permit Application from Petrohawk Energy on Clarence Arndt's property.** The proposed permit application is to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 20 AF (acre feet) of water per year for a total of 33 AF per year. This property is located on Arndt Rd. near Westhoff, Texas and involves 215 acres: No public comment or objection stated.

B. Discussion and possible action on the Operating Permit Application from Petrohawk Energy on Clarence Arndt's property: A motion to approve the operating permit in the amount of 20 acre feet for a total of 33 AF per year was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.

18. **A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on David Heibel's property.** The proposed permit amendment is to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 15 AF (acre feet) of water per year for a total of 28 AF per year. This property is located on FM 766 near Cheapside Texas and involves 90.8 acres: GM reported that the additional water is being used on Petrohawk's Elder B location.

B. Discussion and possible action on the Operating Permit Amendment Application from Petrohawk Energy on David Heibel's property: A motion to approve the operating permit amendment in the amount of 15 acre feet, for a total of 28 AF, was made by Gil Riedesel, seconded by Clem Waskow, and carried unanimously.

19. **A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on William and Robert Leske's property.** The proposed permit amendment is to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 40 AF (acre feet) of water per year, for a total of 70 AF per year. This property is located on McCurdy Rd. near Cuero, Texas and involves 172.3 acres: GM referenced Petrohawk's letter explaining the water is needed to frac two wells consecutively on the same property.

B. Discussion and possible action on the Operating Permit Amendment Application from Petrohawk Energy on William and Robert Leske's property: A motion to approve the operating permit amendment in the amount of 40 acre feet, for a total of 70 AF per year, was made by Wilbert Sauermilch, seconded by Gil Riedesel, and carried unanimously.

20. **A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Kin and Sandra Marie's property.** The proposed permit amendment is to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 30 AF (acre feet) of water per year for a total of 45 AF per year. This property is located on Hartman Rd. near Cuero, Texas and involves 197.93 acres: GM confirmed that the acreage involved is contiguous. The Appraisal District map shows a non-existent county road cutting through the property.

B. Discussion and possible action on the Operating Permit Application from Petrohawk Energy on Kin and Sandra Marie's property: A motion to approve the operating permit amendment in the

amount of 30 acre feet, for a total of 45 AF per year, was made by Tim Pennell, seconded by Clem Waskow, and carried unanimously.

21. **A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Sandra Oehlke's property. The proposed permit amendment is to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 15 AF (acre feet) of water per year for a total of 30 AF per year. This property is located on Kozelski Rd. near Westhoff, Texas and involves 221.85 acres: No public comment or objection stated.**
 - B. Discussion and possible action on the Operating Permit Amendment Application from Petrohawk Energy on Sandra Oehlke's property: A motion to approve the operating permit amendment in the amount of 15 acre feet, for a total of 30 AF, was made by Wilbert Sauermilch, seconded by Tim Pennell, and carried unanimously.**

22. **A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Robert Schendel et al's property. The proposed permit amendment is to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 10 AF (acre feet) of water per year, for a total of 25 AF per year. This property is located on FM 2980 near Nordheim, Texas and involves 292.14 acres: No public comment or objection stated.**
 - B. Discussion and possible action on the Operating Permit Amendment Application from Petrohawk Energy on Robert Schendel et al's property: A motion to approve the operating permit amendment in the amount of 10 acre feet, for a total of 25 AF per year, was made by Clem Waskow, seconded by Wilbert Sauermilch, and carried unanimously.**

23. **A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Karen Brandt's property. The proposed permit amendment is to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 20 AF (acre feet) of water per year for a total of 32.89 AF per year. This property is located on Frank Hinojosa Rd. near Nordheim, Texas and involves 575.39 acres: GM referenced Petrohawk's letter explaining the additional water is being used to frac two additional locations on this property.**
 - B. Discussion and possible action on the Operating Permit Amendment Application from Petrohawk Energy on Karen Brandt's property: A motion to approve the operating permit amendment in the amount of 20 acre feet, for a total of 32.89 AF, was made by Wilbert Sauermilch, seconded by Tim Pennell, and carried unanimously.**

24. **A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Steele Partner's property. The proposed permit amendment is to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 5 AF (acre feet) of water per year for a total of 31 AF per year. This property is located on Morgan Rd. near Cheapside, Texas and involves 652.4 acres: No public comment or objection stated.**
 - B. Discussion and possible action on the Operating Permit Amendment Application from Petrohawk Energy on Steele Partner's property: A motion to approve the operating permit amendment in the amount of 5 acre feet, for a total of 31 AF per year, was made by Wilbert Sauermilch, seconded by Tim Pennell, and carried unanimously.**

25. **A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Sandra Stulgis' property. The proposed permit amendment is to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 30 AF (acre feet) of water**

per year for a total of 45 AF per year. This property is located on FM 766 near Cheapside Texas and involves 170.49 acres: GM explained the additional water is being used to refill the existing frac pit.

B. Discussion and possible action on the Operating Permit Amendment Application from Petrohawk Energy on Sandra Stulgis' property: A motion to approve the operating permit amendment in the amount of 30 acre feet, for a total of 45 AF per year, was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.

26. **A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Paul Ormand's property.** The proposed permit amendment is to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 20 AF (acre feet) of water per year for a total of 35 AF per year. This property is located on FM 951 near Concrete, Texas and involves 337.46 acres: No public comment or objection stated.

B. Discussion and possible action on the Operating Permit Application from Petrohawk Energy on Letty Hartman Lloyd's property: A motion to approve the operating permit amendment in the amount of 20 acre feet, for a total of 35 AF per year, was made by Gil Riedesel, seconded by Clem Waskow, and carried unanimously.

27. **A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Grover Weikel, Jr.'s property.** The proposed permit amendment is to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 30 AF (acre feet) of water per year for a total of 43 AF per year. This property is located on Cheapside Rd. near Westhoff, Texas and involves 477.33 acres: No public comment or objection stated.

B. Discussion and possible action on the Operating Permit Amendment Application from Petrohawk Energy on Grover Weikel, Jr.'s property: A motion to approve the operating permit amendment in the amount of 30 acre feet, for a total of 43 AF per year, was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.

28. **A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Henry Byerly's property.** The proposed permit amendment is to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 15 AF (acre feet) of water per year for a total of 30 AF per year. This property is located at the intersection of FM 952 and FM 2656 near Yorktown Texas and involves 228 acres: No public comment or objection stated.

B. Discussion and possible action on the Operating Permit Amendment Application from Petrohawk Energy on Henry Byerly's property: A motion to approve the operating permit amendment in the amount of 15 acre feet, for a total of 30 AF per year, was made by Wilbert Sauermilch, seconded by Tim Pennell, and carried unanimously.

29. **A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Donald Elder's property.** The proposed permit amendment is to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 15 AF (acre feet) of water per year for a total of 30 AF per year. This property is located on Elder Rd. near Cheapside, Texas and involves 284.22 acres: No public comment or objection stated.

B. Discussion and possible action on the Operating Permit Application from Petrohawk Energy on Letty Hartman Lloyd's property: A motion to approve the operating permit amendment in the

amount of 15 acre feet, for a total of 30 AF per year, was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.

30. **A. Public Hearing on the Operating Permit Application from Burlington Resources O&G CO LP on Rick Scherlen's property. The proposed permit application is to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 20 AF (acre feet) of water per year. This property is located on Jaeger Rd. near Nopal, Texas and involves 97.42 acres:** No public comment or objection stated.
B. Discussion and possible action on the Operating Permit Application from Burlington Resources O&G CO LP on Rick Scherlen's property: A motion to approve the operating permit in the amount of 20 acre feet was made by Wilbert Sauermilch, seconded by Gil Riedesel, and carried unanimously.
31. **A. Public Hearing on the Operating Permit Application from Burlington Resources O&G CO LP on Marvin Koopman's property. The proposed permit application is to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 20 AF (acre feet) of water per year. This property is located on Matejek Rd. near Nopal, Texas and involves 363 acres:** No public comment or objection stated.
B. Discussion and possible action on the Operating Permit Application from Burlington Resources O&G CO LP on Marvin Koopman's property: A motion to approve the operating permit in the amount of 20 acre feet was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.
32. **A. Public Hearing on the Operating Permit Application from Burlington Resources O&G CO LP on Rinehold Borchardt's property. The proposed permit application is to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 20 AF (acre feet) of water per year. This property is located on FM 240 near Westhoff, Texas and involves 332 acres:** No public comment or objection stated.
B. Discussion and possible action on the Operating Permit Application from Petrohawk Energy on Letty Hartman Lloyd's property: A motion to approve the operating permit in the amount of 20 acre feet by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.
33. **A. Public Hearing on the Operating Permit Application from Talisman Energy on Bill Blackwell's property #1. The proposed permit application is to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 10 AF (acre feet) of water per year for a total of 25 AF per year. This property is located on Hwy 72 near Nordheim, Texas and involves 578 acres:** Application deemed incomplete by GM due to incorrect GPS coordinates on the well log.
B. Discussion and possible action on the Operating Permit Application from Talisman Energy on Bill Blackwell's property #1: A motion to table action on the operating permit was made by Gil Riedesel, seconded by Clem Waskow, and carried unanimously.
34. **A. Public Hearing on the Operating Permit Application from Talisman Energy on Bill Blackwell's property #2. The proposed permit application is to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 10 AF (acre feet) of water per year for a total of 35 AF per year. This property is located on Hwy 72 near Nordheim, Texas and involves 578 acres:** Application deemed incomplete by GM due to incorrect GPS coordinates on the well log.

- B. Discussion and possible action on the Operating Permit Application from Talisman Energy on Bill Blackwell's property #2:** A motion to table action on the operating permit was made by Gil Riedesel, seconded by Clem Waskow, and carried unanimously.
35. **A. Public Hearing on the Non-exempt Drilling and Operating Permit Applications from Cynthia Hamilton.** The proposed permit application is to be used for an RV park. The Operating Permit Application is requesting 180 AF (acre feet) of water per year. This property is located on FM 1447 near Cuero, Texas and involves 365.7 acres: A discussion of how much water is actually needed was held. Applicant stated that she is also planning to use the water for irrigation if necessary but she voluntarily reduced her request to 50 AF of water per year until an accurate need can be established.
- B. Discussion and possible action on the Non-exempt Drilling and Operating Permit Applications from Cynthia Hamilton:** A motion to approve the drilling permit and to approve the operating permit in the amount of 50 acre feet was made by Gil Riedesel, seconded by Clem Waskow, and carried unanimously.
36. **A. Public Hearing on the Non-exempt Drilling and Operating Permit Applications from Pete Dlugosch.** The proposed permit application is to be used for commercial water sales. The Operating Permit Application is requesting 215 AF (acre feet) of water per year. This property is located on Hwy 72 near Nordheim, Texas and involves 430 acres: It was noted that 20 AF have already been permitted on this property, leaving only 195 AF. Landowner has been made aware of the implications of permitting the balance of available water for water sales.
- B. Discussion and possible action on the Non-exempt Drilling and Operating Permit Applications from Pete Dlugosch:** A motion to approve the drilling permit and to approve the operating permit in the amount of 195 acre feet was made by Tim Pennell, seconded by Clem Waskow, and carried unanimously.
37. **A. Public Hearing on the Non-exempt Drilling and Operating Permit Applications from Louis Ted Winslow.** The proposed permit application is to be used for irrigation. The Operating Permit Application is requesting 2 AF (acre feet) of water per year. This property is located on FM 2542 near Mustang Mott, Texas and involves 600 acres: No public comment or objection stated.
- B. Discussion and possible action on the Non-exempt Drilling and Operating Permit Applications from Louis Ted Winslow:** A motion to approve the drilling permit and to approve the operating permit in the amount of 2 acre feet was made by Gil Riedesel, seconded by Tim Pennell, and carried unanimously.
38. **A. Public Hearing on the Non-exempt Drilling and Operating Permit Applications from Hawk Field Services.** The proposed permit application is for commercial use at the new office and plant location. The Operating Permit Application is requesting 4.5 AF (acre feet) of water per year. This property is located on Johnny Pokluda Rd. near Nordheim, Texas and involves 9.75 acres: No public comment or objection stated.
- B. Discussion and possible action on the Non-exempt Drilling and Operating Permit Applications from Hawk Field Services:** A motion to approve the drilling permit and to approve the operating permit in the amount of 4.5 acre feet was made by Wilbert Sauermilch, seconded by Tim Pennell, and carried unanimously.

39. A. Public Hearing on the Non-exempt Drilling and Operating Permit Applications from Chris Ulrich. The proposed permit application is to be used for commercial water sales. The Operating Permit Application is requesting 30 AF (acre feet) of water per year for a total of 43 AF per year. This property is located on FM 766 near Cuero, Texas and involves 662 acres: GM explained that the water is necessary for pipeline testing and will be emptied on this property when testing is complete.
- B. Discussion and possible action on the Non-exempt Drilling and Operating Permit Applications from Chris Ulrich: A motion to approve the drilling permit and to approve the operating permit in the amount of 30 acre feet was made by Clem Waskow, seconded by Wilbert Sauermilch, and carried unanimously.

At this time Mr. William Bergey asked several questions regarding the permitting process, duration of permits, and regulations regarding use of the permitted water. He expressed his opinion that drilling companies should make a better effort to re-use waste water recovered during the frac process instead of injecting it into waste water wells. Board assured Mr. Bergey that the District is encouraging companies to explore different methods to reduce the amount of fresh water being used for oil and gas production; however, Texas law does not allow the District to impose mandates on the drilling companies.

40. Discussion and possible action on election of Vice-Chairman: Clem Waskow was nominated by Tim Pennell to serve as Vice-Chairman for the Board. Nomination was seconded by Wilbert Sauermilch. There being no other nominations, Clem Waskow was elected unanimously for the position of Board Vice-Chairman.
41. Discussion and possible action on removal of Ted Aven from bank checking accounts and to add Tim Pennell to bank checking accounts: A motion to remove Ted Aven and to add Tim Pennell to District checking accounts was made by Gil Riedesel, seconded by Clem Waskow, and carried unanimously.
42. Closed Meeting: No Executive session was called
43. Return to Open Meeting: No Executive session was called.
44. Next Scheduled Board Meeting Date: Next meeting is scheduled for August 30, 2011 at 2:00 p.m.
45. Adjournment: Meeting was adjourned at 3:15 P.M. by the Chairman with a motion from Wilbert Sauermilch, seconded by Clem Waskow, and carried unanimously.



Sec/Wilbert Sauermilch

Recorded: Marcia Mann, Admin. Assistant