

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

PUBLIC HEARING AND BOARD MEETING

MINUTES

MARCH 20, 2012 – 1:00 P.M.

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

Board Members Absent: All present.

Also in attendance: Charlotte Krause, GM; Marcia Mann, Admin. Asst; and Jim Allison, Board Attorney.

Guests: Bill Pace (Conoco); Carole Schultz; James Hansen; Will Bledsoe (Pioneer); Harvey Mainka; K. Palmer; Scott Hay.

1. Call to Order: The meeting was called to order by the Vice-Chairman at 1:00 P.M.
2. Welcome Guests: Vice-Chairman welcomed guests and thanked them for their interest.
3. Public Comment: No public comment.
4. Public Hearing – Pioneer Natural Resources - Scott Hay & Joyce Bower
 - A. Public Hearing on the Drilling and Operating Permit Applications from Pioneer Natural Resources on Scott Hay & Joyce Bower's Property. The proposed permit application 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 FM 240 near Yorktown, Texas and involves 242.39 acres: No public comment or objection stated.
 - B. Discussion and consideration of Drilling and Operating Permit Applications from Pioneer Natural Resources on Scott Hay & Joyce Bower's property: A motion to approve the Drilling Permit Application and to approve the Operating Permit Application in the amount of 20 AF (acre feet) of water per year was made by Gil Riedesel, seconded by Tim Pennell, and carried unanimously.
5. Public Hearing – Pioneer Natural Resources – Harlan Metting
 - A. Public Hearing on the Operating Permit Amendment Application from Pioneer Natural Resources on Harlan Metting's Property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 36.1 AF (acre feet) of water for a total of 60 AF per year. This property is located on Maron Road near Yorktown, Texas and involves 242.39 acres: No public comment or objection stated.
 - B. Discussion and consideration of Operating Permit Amendment Application from Pioneer Natural Resources on Harlan Metting's property: A motion to approve the Operating Permit Amendment Application in the amount of 36.1 AF (acre feet) of water, for a total of 60 AF (acre feet) of water per year, was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.

6. Public Hearing – Petrohawk Energy – Martin O’Conner
 - A. Public Hearing on the Drilling and Operating Permit Applications from Petrohawk Energy on Martin O’Conner’s Property #1. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 50 AF (acre feet) of water per year. This property is located on FM 2542 near Westhoff, Texas and involves 1,738 acres: No public comment or objection stated.
 - B. Discussion and consideration of Drilling and Operating Permit Applications from Petrohawk Energy on Martin O’Conner’s property: A motion to approve the Drilling Permit Application and to approve the Operation Permit Application in the amount of 50 AF (acre feet) of water per year was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.
7. Public Hearing – Petrohawk Energy – Martin O’Conner
 - A. Public Hearing on the Drilling and Operating Permit Applications from Petrohawk Energy on Martin O’Conner’s Property #2. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 50 AF (acre feet) of water for a total of 100 AF per year from two water wells. This property is located on FM 2542 near Westhoff, Texas and involves 1,738 acres: No public comment or objection stated.
 - B. Discussion and consideration of Drilling and Operating Permit Applications from Petrohawk Energy on Martin O’Conner’s property: A motion to approve the Drilling Permit Application and to approve the Operating Permit Application in the amount of 50 AF (acre feet) of water for a total of 100 AF (acre feet) of water per year from two water wells was made by Wilbert Sauermilch, seconded by Tim Pennell, and carried unanimously.
8. Public Hearing – Petrohawk Energy – Susan Wallis
 - A. Public Hearing on the Operating Permit Application from Petrohawk Energy on Susan Wallis’s Property. The proposed permit application 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 FM 2542 near Westhoff, Texas and involves 621 acres: No public comment or objection stated.
 - B. Discussion and consideration of Operating Permit Application from Petrohawk Energy on Susan Wallis’s property: A motion to approve the Operating Permit Application in the amount of 20 AF (acre feet) of water per year was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.
9. Public Hearing – Petrohawk Energy – Kristy Hahn Serold & Sylvia Hahn Imhoff
 - A. Public Hearing on the Operating Permit Application from Petrohawk Energy on Kristy Hahn Serold and Sylvia Hahn Imhoff’s Property. The Operating Permit Application is requesting 20 AF (acre feet) of water per year from this water well, in addition to another water well that has 26 AF permitted, for a total of 46 AF (acre feet) of water per year. This property is located on Kubala Store Road near Westhoff, Texas and involves 164.97 acres: No public comment or objection stated.
 - B. Discussion and consideration of Operating Permit Application form Petrohawk Energy on Kristy Hahn Serold and Sylvia Hahn Imhoff’s property: A motion to approve the Operating Permit Application in the amount of 20 AF (acre feet) of water per year from this water well, in addition to another water well that has 26 AF permitted, for a total of 46 AF (acre feet) of water

per year was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.

10. Public Hearing – Petrohawk Energy – Parker Frisbie

- A. Public Hearing on the Operating Permit Application from Petrohawk Energy on Parker Frisbie's Property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 45 AF (acre feet) of water per year. This property is located on Rogge Siefert Road near Nordheim, Texas and involves 401 acres: No public comment or objection stated.

- B. Discussion and consideration of Operating Permit Application from Petrohawk Energy on Parker Frisbie's property: A motion to approve the Operating Permit Application in the amount of 45 AF (acre feet) of water per year was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.

11. Public Hearing – Marathon Oil – Betty Ley

- A. Public Hearing on the Drilling and Operating Permit Applications from Marathon Oil EF, LLC on Betty Ley's Property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 68 AF (acre feet) of water per year. This property is located on Hwy 183 N near Cuero, Texas and involves 136.2 acres: No public comment or objection stated.

- B. Discussion and consideration of Drilling and Operating Permit Applications from Marathon Oil on Betty Ley's property: A motion to approve the Drilling Permit Application and to approve the Operating Permit Application in the amount of 68 AF (acre feet) of water per year was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.

12. Public Hearing –Kimeth & Carole Schultz

- A. Public Hearing on the Drilling and Operating Permit Applications from Kimeth and Carole Schultz. The proposed permit application is to be used for Commercial purposes for an RV Park. The Operating Permit Application is requesting 4.13 AF (acre feet) of water per year. This property is located at 1845 Yorktown Slickfield Road near Yorktown, Texas and involves 8.26 acres: No public comment or objection stated.

- B. Discussion and consideration of Drilling and Operating Permit Applications from Kimeth and Carole Schultz: A motion to approve the Drilling Permit Application and to approve the Operating Permit Application in the amount of 4.13 AF (acre feet) of water per year was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.

13. Public Hearing – Anthony Broussard

- A. A Public Hearing on the Drilling and Operating Permit Applications from Anthony Broussard. The proposed permit application is to be used for Commercial purposes for an RV Park. The Operating Permit Application is requesting 17.5 AF (acre feet) of water per year. This property is located on 2 miles west of Yorktown on Hwy 72 and involves 35 acres: No public comment or objection stated.

- B. Discussion and consideration of Drilling and Operating Permit Applications from Anthony Broussard: A motion to approve the Drilling Permit Application and to approve the Operating

Permit Application in the amount of 17.5 (acre feet) of water per year was made by Wilbert Sauermilch, seconded by Gil Riedesel, and carried unanimously.

14. Public Hearing – Janet Adamek

- A. Public Hearing on the Operating Permit Application from Janet Adamek. The proposed permit application is to be used for commercial water sales. The Operating Permit Application is requesting 10 AF (acre feet) of water per year. This property is located at the intersection of State Hwy 111 and FM 966 near Yoakum, Texas and involves 158.48 acres: No public comment or objection stated.
- B. Discussion and consideration of Operating Permit Application from Janet Adamek: A motion to approve the Operating Permit Application in the amount of 10 AF (acre feet) of water per year was made by Gil Riedesel, seconded by Tim Pennell, and carried unanimously.

15. Public Hearing – Susan Wallis & Louis Winslow

- A. Public Hearing on the Operating Permit Amendment Application from Susan Wallis & Louis Winslow. The proposed permit application is to be used for irrigation purposes. The Operating Permit Amendment Application is requesting 63 AF (acre feet) of water for a total of 65 AF per year. This property is located on FM 2542 near Westhoff, Texas and involves 621 acres: No public comment or objection stated.
- B. Discussion and consideration of Operating Permit Amendment Application from Susan Wallis and Louis Winslow: A motion to approve the Operating Permit Amendment Application in the amount of 63 (acre feet) of water for a total of 65 (acre feet) of water per year was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.

16. Public Hearing – Pyote Water Systems – Pete & Patricia Dlugosch


- A. Public Hearing on the Drilling and Operating Permit Applications from Pyote Water Systems on Pete & Patricia Dlugosch's property. The proposed permit application is to be used for mining purposes for a salt water disposal well. The Operating Permit Application is requesting 2 AF (acre feet) of water. This property is located at the intersection of State Hwy 72 and Bubba Palmer Lane near Cuero, Texas and involves 25.269 acres: No public comment or objection stated.
- B. Discussion and consideration of Drilling and Operating Permit Application from Pyote Water Systems on Pete & Patricia Dlugosch's property: A motion to approve the Drilling Permit Application and to approve the Operating Permit Application in the amount of 2 (acre feet) of water was made by Wilbert Sauermilch, seconded by Tim Pennell, and carried unanimously.

17. Public Hearing – Energy Equity Company

- A. Public Hearing on the Operating Permit Application from Energy Equity Company. The proposed permit application is to be used for mining purposes for a salt water disposal well. The Operating Permit Application is requesting 0.50 AF (acre feet) of water. This property is located at on Hwy 87 N near Westhoff, Texas and involves 2 acres: No public comment or objection stated.
- B. Discussion and consideration of Operating Permit Application from Energy Equity Company: A motion to approve the Operating Permit Application in the amount of 0.50 (acre feet) of water per year was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.

Last Public Hearing Closed at 1:20 P.M.

18. Minutes from 02-14-12 and 03-06-12 Meetings (provided prior to meeting): A motion to approve the minutes from the 02-14-12 and 03-06-12 meetings as presented was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.
19. Financial Report: A motion to approve the financial reports as presented was made by Wilbert Sauermilch, seconded by Tim Pennell, and carried unanimously.
20. Discussion regarding new education program from Water Wise Education and Conservation: GM presented information on an educational program, geared for the 5th grade level, teaching water conservation issues. Program costs would include a kit for each student. Currently Victoria County GCD is providing this program to a limited number of schools in their area as a pilot program. A motion was made by Tim Pennell, seconded by Gil Riedesel, to authorize GM to contact three of the more rural schools in DeWitt County, Meyersville, Nordheim, and Westhoff, and offer the program on a trial basis for next school year. Motion carried unanimously.
21. General Manager Report:
 - Attorney Allison explained the need for a Resolution for the District to change its precinct boundaries to conform to the new precinct boundaries set for DeWitt County by the State of Texas. Resolution will be prepared by Allison and will require publication of legal notice prior to adoption of Resolution at the next Public Hearing/Board Meeting in April. Once complete, all documentation will be submitted to the Justice Department.
 - GM will be attending the quarterly TAGD meeting in Austin on March 27 and 28.
 - A spreadsheet showing water usage for all permitted wells in comparison to water usage by municipalities was distributed to Board.
22. Closed Meeting (If necessary) – Close the meeting to conduct private consultation with PVGCD attorney regarding matters protected by the attorney-client privilege pursuant to V.T.C.A. Government Code 551. 07. or to discuss matters regarding personnel pursuant to V.T.C.A. Government Code 551.074: No Executive Session called.
23. Return to Open Meeting (If Necessary) – Return to open meeting and take any action deemed necessary based upon discussions in closed meeting pursuant to V.T.C.A. Government Code 551.102: No Executive Session called.
24. Next Scheduled Board Meeting Date: Next meeting is scheduled for April 17, 2012, at 2:00 P.M.
25. Adjournment: Meeting was adjourned at 1:55 p.m. by the Chairman with a motion from Wilbert Sauermilch, seconded by Clem Waskow, which carried unanimously.



Sec/Wilbert Sauermilch

Recorded: Marcia Mann, Admin. Assistant