

PECAN VALLEY GROUNDWATER CONSERVATION DISTRICT  
107 N. GONZALES CUERO, TX 77954  
PUBLIC HEARING AND BOARD MEETING  
MINUTES

JUNE 17, 2014 – 2:00 P.M.

Board Members Present: Clem Waskow, Vice-Chairman (At Large), Wilbert Sauermilch, Secretary/Treasurer (Pct. 3), and Marvin Sager, Director (Pct. 4).

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

Guests: Will Bledsoe (Pioneer) and Stanley Garvel.

1. Call to order: The meeting was called to order by the Vice-Chairman at 2:00 P.M.
2. Welcome guests: Guests were welcomed.
3. Public comment: No public comment.

PUBLIC HEARINGS OPENED AT 2:01 P.M.

4. Public Hearing – Fred Hahn
  - a. Public Hearing on the Drilling and Operating Permit Applications from Fred Hahn: The proposed permit application is for irrigation use. The Operating Permit Application is requesting 200 AF of water per year. This property is located at 5407 Hwy 119 N. near Yorktown, Texas and involves 400 acres. No public comment or objection stated.
  - b. Discussion and consideration of drilling and operating permit applications from Fred Hahn: A motion to approve the Drilling Permit and to approve the Operating Permit Application in the amount of 200 AF of water per year was made by Wilbert Sauermilch, seconded by Marvin Sager, which carried unanimously.
5. Public Hearing – W.A. Blackwell Ranches, LLC
  - a. Public Hearing on the Drilling and Operating Permit Applications from W.A. Blackwell Ranches, LLC: The proposed permit application is for irrigation use. The Operating Permit Application is requesting 5 AF of water per year. This property is located on Old Yorktown Road near Cuero, Texas and involves 300 acres. No public comment or objection stated.
  - b. Discussion and consideration of drilling and operating permit applications from W.A. Blackwell Ranches, LLC: A motion to approve the Drilling Permit and to approve the Operating Permit Application in the amount of 5 AF of water per year was made by Marvin Sager, seconded by Wilbert Sauermilch, which carried unanimously.

6. Public Hearing – BHP Billiton (Eagleford Gathering)
  - a. Public Hearing on the Drilling and Operating Permit Applications from BHP Billiton (Eagleford Gathering): The proposed permit application is for industrial use. The Operating Permit Application is requesting 7.5 AF of water per year for a total of 22.05 AF of water per year from two permitted wells. This property is located on Oliver Rd. near Westhoff, Texas and involves 275 acres. No public comment or objection stated.
  - b. Discussion and consideration of operating permit application from BHP Billiton (Eagleford Gathering): A motion to approve the Drilling Permit Application and to approve the Operating Permit Application in the amount of 7.5 AF of water per year for a total of 22.05 AF of water per year from two permitted wells was made by Wilbert Sauermilch, seconded by Marvin Sager, which carried unanimously.
7. Public Hearing – Petrohawk Energy – Frisbie Family Trust
  - a. Public Hearing on the Operating Permit Application from Petrohawk Energy on Frisbie Family Trust's property: The proposed permit application is to be to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 30 AF of water per year for a total of 75 AF of water per year from 2 permitted wells. This property is located on Rogge Seifert Road near Yorktown, Texas and involves 403 acres. No public comment or objection stated.
  - b. Discussion and consideration of operating permit application from Petrohawk Energy on Frisbie Family Trust's property: No action taken. This item was withdrawn from consideration by the applicant.
8. Public Hearing – Petrohawk Energy – Harvey Immenhauser
  - a. Public Hearing on the Operating Permit Application from Petrohawk Energy on Harvey Immenhauser's property: The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 30 AF of water per year for a total of 43 AF of water per year from 2 water wells. This property is located on Arndt Road near Westhoff, Texas and involves 132 acres. No public comment or objection stated.
  - b. Discussion and consideration of operating permit application from Petrohawk Energy on Harvey Immenhauser's property: A motion to approve the Operating Permit Application in the amount of 30 AF of water per year for a total of 43 AF of water per year from 2 water wells was made by Marvin Sager, seconded by Wilbert Sauermilch, which carried unanimously.
9. Public Hearing – Petrohawk Energy – Edward & Inez Hahn
  - a. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Edward & Inez Hahn's property: The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting an additional 20 AF of water per year for a total of 50 AF of water per year. This property is located on Sandy

Gate Road near Yorktown, Texas and involves 129 acres. No public comment or objection stated.

- b. Discussion and consideration of operating permit amendment application from Petrohawk Energy on Edward & Inez Hahn's property: A motion to approve the Operating Permit Amendment Application in the amount of an additional 20 AF of water per year for a total of 50 AF of water per year was made by Wilbert Sauermilch, seconded by Marvin Sager, which carried unanimously.

10. Public Hearing – Petrohawk Energy – Alton & Betty Seifert

- a. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Alton & Betty Seifert's property: The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting an additional 30 AF of water per year for a total of 60 AF of water per year from this water well and a total of 90 AF of water per year from two water wells. This property is located on Davy Road near Yorktown, Texas and involves 128 acres. No public comment or objection stated.
- b. Discussion and consideration of operating permit amendment application from Petrohawk Energy on Alton and Betty Seifert's property: A motion to approve the Operating Permit Amendment Application in the amount of an additional 30 AF of water per year for a total of 60 AF of water per year from this water well and a total of 90 AF of water per year from two water wells was made by Wilbert Sauermilch, seconded by Marvin Sager, which carried unanimously.

11. Public Hearing – Petrohawk Energy – AJ Metz Investments

- a. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on AJ Metz Investments' property: The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting an additional 20 AF of water per year for a total of 40 AF of water per year from this water well and a total of 60 AF of water per year from two water wells. This property is located on Dubose Road near Yorktown, Texas and involves 215 acres. No public comment or objection stated.
- b. Discussion and consideration of operating permit amendment application from Petrohawk Energy on AJ Metz Investments' property: A motion to approve the Operating Permit Amendment Application in the amount of an additional 20 AF of water per year for a total of 40 AF of water per year from this water well and a total of 60 AF of water per year from two water wells was made by Marvin Sager, seconded by Wilbert Sauermilch, which carried unanimously.

12. Public Hearing – Pioneer Natural Resources – Stanley Garvel

- a. Public Hearing on the Operating Permit Amendment Application from Pioneer Natural Resources on Stanley Garvel's property: The proposed permit

amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting to decrease the production limit to 21 AF of water per year. This property is located on Garfield Road near Yorktown, Texas and involves 87.8 acres: No public comment or objection stated.

- b. Discussion and consideration of operating permit amendment application from Pioneer Natural Resources on Stanley Garvel's property: A motion to approve the Operating Permit Amendment Application to decrease the production limit to 21 AF of water per year was made by Marvin Sager, seconded by Wilbert Sauermilch, which carried unanimously.

13. Public Hearing – Pioneer Natural Resources – Stanley Garvel

- a. Public Hearing on the Operating Permit Application from Pioneer Natural Resources on Stanley Garvel's property: The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 21 AF of water per year for a total of 42 AF of water per year from two water wells. This property is located on Garfield Road near Yorktown, Texas and involves 87.8 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit amendment application from Pioneer Natural Resources on Stanley Garvel's property: A motion to approve the Operating Permit Application in the amount of 21 AF of water per year for a total of 42 AF of water per year from two water wells was made by Marvin Sager, seconded by Wilbert Sauermilch, which carried unanimously.

14. Public Hearing – Pioneer Natural Resources – Betty Ann Seifert

- a. Public Hearing on the Operating Permit Application from Pioneer Natural Resources on Betty Ann Seifert's property: The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 39 AF of water per year for a total of 99 AF of water per year from two water wells. This property is located on Cotton Patch Road near Yorktown, Texas and involves 200 acres. No public comment or objection stated.
- b. Discussion and consideration of operating permit application from Pioneer Natural Resources on Betty Ann Seifert's property: A motion to approve the Operating Permit Application in the amount of 39 AF of water per year for a total of 99 AF of water per year from two water wells was made by Wilbert Sauermilch, seconded by Marvin Sager, which carried unanimously.

15. Public Hearing – Statoil US Holdings, Inc. – Bill Blackwell

- a. Public Hearing on the Operating Permit Amendment Application from Statoil US Holdings, Inc. on Bill Blackwell's property: The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating

Permit Amendment Application is requesting an additional 28 AF of water per year for a total of 68 AF of water per year from this water well and a total of 103 AF of water per year from four water wells. This property is located on Ryan Ranch Road near Nordheim, Texas and involves 1,052 acres. No public comment or objection stated.

- b. Discussion and consideration of operating permit amendment application from Statoil US Holdings, Inc. on Bill Blackwell's property: A motion to approve the Operating Permit Amendment Application in the amount of an additional 28 AF of water per year for a total of 68 AF of water per year from this water well and a total of 103 AF of water per year from four water wells was made by Wilbert Sauermilch, seconded by Marvin Sager, which carried unanimously.

16. Public Hearing – Statoil US Holdings, Inc. – Mary Klaevemann

- a. Public Hearing on the Operating Permit Amendment Application from Statoil US Holdings, Inc. on Mary Klaevemann's property: The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting an additional 6.5 AF of water per year for a total of 13 AF of water per year from this water well and a total of 33 AF of water per year from two water wells. This property is located on Scheffler Road near Nordheim, Texas and involves 80 acres. No public comment or objection stated.
- b. Discussion and consideration of operating permit amendment application from Statoil US Holdings, Inc. on Mary Klaevemann's property: A motion to approve the Operating Permit Amendment Application in the amount of an additional 6.5 AF of water per year for a total of 13 AF of water per year from this water well and a total of 33 AF of water per year from two water wells was made by Marvin Sager, seconded by Wilbert Sauermilch, which carried unanimously.

17. Public Hearing – Statoil US Holdings, Inc. – Mary Klaevemann

- a. Public Hearing on the Operating Permit Amendment Application from Statoil US Holdings, Inc. on Mary Klaevemann's property: The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting to decrease the production limits on this permit to 13 AF of water per year on this water well and a total of 26 AF of water per year from two water wells. This property is located on Scheffler Road near Nordheim, Texas and involves 80 acres. No public comment or objection stated.
- b. Discussion and consideration of operating permit amendment application from Statoil US Holdings, Inc. on Mary Klaevemann's property: A motion to approve the Operating Permit Amendment Application to decrease the production limits on this permit to 13 AF of water per year from this water well and a total of 26 AF of water per year from two water wells was made by Marvin Sager, seconded by Wilbert Sauermilch, which carried unanimously.

18. Public Hearing – Statoil US Holdings, Inc. – Mary Klaevemann

- a. Public Hearing on the Operating Permit Application from Statoil US Holdings, Inc. on Mary Klaevemann's property: The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 13 AF of water per year from this water well and a total of 39 AF of water per year from three water wells. This property is located on Scheffler Road near Nordheim, Texas and involves 80 acres. No public comment or objection stated.
- b. Discussion and consideration of operating permit application from Statoil US Holdings, Inc. on Mary Klaevemann's property: A motion to approve the Operating Permit Application in the amount of 13 AF of water per year from this water well and a total of 39 AF of water per year from three water wells was made by Marvin Sager, seconded by Wilbert Sauermilch, which carried unanimously.

19. Public Hearing – Statoil US Holdings, Inc. – Pete Dlugosch

- a. Public Hearing on the Operating Permit Amendment Application from Statoil US Holdings, Inc. on Pete Dlugosch's property: The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting an additional 37 AF of water per year for a total of 47 AF of water per year from this water well and a total of 57 AF of water per year from two water wells. This property is located on State Hwy 72 West near Yorktown, Texas and involves 430 acres. No public comment or objection stated.
- b. Discussion and consideration of operating permit amendment application from Statoil US Holdings, Inc. on Pete Dlugosch's property: A motion to approve the Operating Permit Amendment Application in the amount of an additional 37 AF of water per year for a total of 47 AF of water per year from this water well and a total of 57 AF of water per year from two water wells was made by Marvin Sager, seconded by Wilbert Sauermilch, which carried unanimously.

20. Public Hearing – Statoil US Holdings, Inc. – Pete Dlugosch

- a. Public Hearing on the Operating Permit Amendment Application from Statoil US Holdings, Inc. on Pete Dlugosch's property: The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting an additional 37 AF of water per year for a total of 47 AF of water per year from this water well and a total of 94 AF of water per year from two water wells. This property is located on State Hwy 72 West near Yorktown, Texas and involves 430 acres. No public comment or objection stated.
- b. Discussion and consideration of operating permit amendment application from Statoil US Holdings, Inc. on Pete Dlugosch's property: A motion to approve the Operating Permit Amendment Application in the amount of an additional 37 AF of

water per year for a total of 47 AF of water per year from this water well and a total of 94 AF of water per year from two water wells was made by Marvin Sager, seconded by Wilbert Sauermilch, which carried unanimously.

21. Public Hearing – Statoil US Holdings, Inc. – Pete Dlugosch

- a. Public Hearing on the Operating Permit Application from Statoil US Holdings, Inc. on Pete Dlugosch's property: The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 47 AF of water per year from this water well and a total of 141 AF of water per year from three water wells. This property is located on State Hwy 72 West near Yorktown, Texas and involves 430 acres. No public comment or objection stated.
- b. Discussion and consideration of operating permit application from Statoil US Holdings, Inc. on Pete Dlugosch's property: A motion to approve the Operating Permit Application in the amount of 47 AF of water per year from this water well and a total of 141 AF of water per year from three water wells was made by Marvin Sager, seconded by Wilbert Sauermilch, which carried unanimously.

PUBLIC HEARINGS CLOSED AT 2:15 P.M.

22. Minutes from 05-20-14 Meeting (provided prior to meeting): A motion to approve the minutes as presented was made by Wilbert Sauermilch, seconded by Marvin Sager, which carried unanimously.

23. Financial Reports – May (provided prior to meeting): A motion to approve the May financial reports as presented was made by Wilbert Sauermilch, seconded by Marvin Sager, which carried unanimously.

24. Discussion and consideration of receiving gift from DGRA: No action taken. A motion to table this item for discussion at the next monthly meeting was made by Marvin Sager, seconded by Wilbert Sauermilch, which carried unanimously.

25. GM Report:

- a. Update from Public Funds Training: attended by GM and Board Secretary/Treasurer at TAGD meeting.
- b. Update from TAGD meeting: GM summarized quarterly TAGD meeting
- c. Update on Water Quality Testing Program: GM updated the status of applications received.
- d. Update on Timeline for Budget and Tax Rate meetings for FY 2015: GM summarized the various deadlines upcoming
- e. Update on Office Renovations, Relocations, and Video Conferencing: GM reported no available office space for relocation is available in Cuero. It will be necessary to get bids for remodel of the current space to enlarge the Conference Room. All equipment has been purchased for Video Conferencing.

26. 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.
27. 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.
28. Next Scheduled Board Meeting: Next meeting is scheduled for July 15, 2014.
29. Adjournment: The meeting adjourned at 2:45 P.M. with a motion by Marvin Sager, seconded Wilbert Sauermilch, which carried unanimously.



Sec/Wilbert Sauermilch

Recorded: Marcia Mann, Admin. Assistant