

PECAN VALLEY GROUNDWATER CONSERVATION DISTRICT
106 N. GONALES CUERO, TX 77954

PUBLIC HEARING AND BOARD MEETING

MINUTES

MAY 18, 2010 – 4:00 P.M.

BOARD MEMBERS PRESENT: Errol John Dietze, Chairman (At Large); Bob Davis, Vice-Chairman (Pct. 4), Ted Aven, Director (Pct. 1), Wilbert Sauermilch, Secretary/Treasurer (Pct. 3), Darnell Knippa, Director (Pct 2)

ALSO IN ATTENDANCE: Jim Allison, Attorney, Charlotte Krause, Interim GM, and Marcia Mann, Secretary

GUESTS: John Soule, Attorney for Petro Hawk and Geo Southern, Charles Cole, Joe Pulido, Carry Holtzendorf, Nancy Bryant, Robert Garner, Trey Dyer, Richard Borstmayer, and John Bryant from Petro Hawk and Geosouthern Energy; Brian Olsovsky, David Ibrom, Belitha McKinney, David Styra, Frank Styra, Herb Koehler, James Fenner, Darryl Fowler, and Bubba Steen.

1. CALL TO ORDER: The meeting was called to order by the Chairman at 4:00.
2. INTRODUCTION OF GUESTS: General welcome of all guests by Chairman Dietze.
3. OPEN PUBLIC HEARING: Chairman Dietze opened Public Hearing at 4:10 P.M.
4. CONDUCT PUBLIC HEARING ON OPERATING PERMIT FROM PIONEER ON HOPE GU1 WELL 1: Withdrawn from consideration until June meeting by applicant.
5. CONDUCT PUBLIC HEARING ON OPERATING PERMIT FROM PIONEER ON FRANK GU1 WELL 1: Withdrawn from consideration until June meeting by applicant.
6. AGENDA ITEMS 6-18: Mr. John Soule, Attorney for Petro Hawk and Geo Southern, presented his interpretation of the definition of Exempt wells from Chapter 36 of the Texas Water Code and the Texas Railroad Commission. All parties agreed that Operating Permits should be required by the District for rig supply wells. The District stated its need for documentation of oil company lessees' authority to apply for Operating Permits if landowner signatures are not required. Mr. Soule stated that he was willing to provide copies of the leases in question, along with a notarized Assignment of Right to Water, which would establish a chain of title to water use in connection with each rig supply well, with the exception of Agenda Items 11 and 12, wells on the Oliver Ranch. These two leases will be amended by Applicant to include language sufficient to clarify any ambiguities and resubmitted for consideration at a later date. Mr. Allison recommended Board approval of Operating Permits on Agenda Items 6 through 10, and 13 through 18, contingent on submission of agreed documentation and his review.
19. CLOSE PUBLIC HEARING AND RESUME REGULAR MEETING: Public Hearing was closed by Chairman Dietze at 4:50 P.M. and regular board meeting was resumed.
20. CONSIDER OPERATING PERMIT FROM PIONEER FOR HOPE GU1 WELL 1: No action taken, withdrawn from consideration by applicant until June meeting.
21. CONSIDER OPERATING PERMIT FROM PIONEER FOR FRANK GU1 WELL 1: No action taken, withdrawn from consideration by applicant until June meeting.
22. AGENDA ITEMS 22-26 and 29-34: A motion was made by Bob Davis to issue Operating Permits to Petro Hawk on the following locations: Krause GU 1 Well 1, Seifert #1, Pokluda #1, Oliver #3, Reyes, #1, Lanik #2, Muir #1, Krause GU 3 Well 1, Kickendahl #1, Migura #1, and Hyatt #1, contingent on Applicant's submission of Lease and Assignment of Right to Water, sufficient to establish the right to produce groundwater on each location, to be reviewed by Jim Allison. Motion was seconded by Ted Aven and carried unanimously. Permits will be issued subject to Special Issues and Conditions Sheet.

Agenda Items 27 and 28 were withdrawn from consideration by Applicant, to be resubmitted at a later date.

35. MINUTES FROM PRIOR MEETING: No action taken.
36. FINANCIAL REPORTS: No action taken.
37. PUBLIC COMMENT: Comments were made by three members of the audience.
38. CONSIDERATION OF INCREASING HOURS OF OFFICE ASSISTANT TO FULL TIME STATUS: No action taken.
39. APPROVE QUARTERLY PAYMENT TO USGS FOR COLETO CREEK PROJECT: No action taken.
40. RENEWAL OF TCDRS (RETIREMENT PLAN) PLAN PROVISIONS FOR YEAR 2011: No action taken.
41. GENERAL MANAGER'S REPORT: None given.
42. PUBLIC COMMENT: No additional comments.
43. EXECUTIVE SESSION: (If necessary) (Pursuant to Sec. 551.071, or Sec 551.074 Govt. Code.) None
44. RETURN TO OPEN MEETING: (Pursuant to V.T.C.A. Government Code 551.102) None.
45. NEXT SCHEDULED BOARD MEETING DATE JULY 20, 2010: No action taken.
46. ADJOURNMENT: The meeting was adjourned at 5:15 P.M. by the chairman with a motion from Bob Davis, seconded by Darnell Knippa, which carried unanimously.



Sec/Wilbert Sauermilch

Recorded: Marcia Mann, Secretary