

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

PUBLIC HEARING AND BOARD MEETING

MINUTES

MARCH 15, 2011 – 3:00 P.M.

BOARD MEMBERS PRESENT: Darnell Knippa, Chairman (Pct. 2); Ted Aven, Vice-Chairman (Pct. 1), Wilbert Sauermilch, Secretary/Treasurer (Pct. 3), Gil Riedesel, Director (Pct 4), and Clem Waskow, Director (At Large)

ALSO IN ATTENDANCE: Charlotte Krause, GM, and Marcia Mann, Secretary

GUESTS: Duane Curry, Robert Egg, County Judge Darryl Fowler.

1. CALL TO ORDER: The meeting was called to order by the Chairman at 3:00 P.M.
2. WELCOME GUESTS: Guests were welcomed by Chairman Knippa and thanked for their interest.
3. PUBLIC COMMENT: No public comment at this time.
4. OPEN PUBLIC HEARING: Public Hearing was opened by Chairman at 3:05 P.M.
  - A. PUBLIC HEARING ON THE NON-EXEMPT DRILLING AND OPERATING PERMIT APPLICATIONS FROM PIONEER NATURAL RESOURCES ON JERRY & LORETTA STRIEBER'S PROPERTY TO HYDRAULIC FRACTURE AN OILFIELD LOCATION. OPERATING PERMIT APPLICATION REQUESTS 20 AF OF WATER PER YEAR.PER YR. PROPERTY IS LOCATED AT THE INTERSECTION OF METTING SCHOOL RD AND METTING RD. NEAR YORKTOWN AND INVOLVES 129.09 ACRES: No comment or objection stated.
  - B. DISCUSSION AND CONSIDERATION OF THE NON-EXEMPT DRILLING AND OPERATING PERMIT APPLICATIONS FROM PIONEER NATURAL RESOURCES ON JERRY & LORETTA STRIEBER'S PROPERTY. OPERATING PERMIT APPLICATION REQUESTS 20 AF OF WATER PER YEAR. PROPERTY IS LOCATED AT THE INTERSECTIN OF METTING SCHOOL RD AND METTING RD. NEAR YORKTOWN AND INVOLVES 129.09 ACRES: A motion to approve these Permit Applications was made by Gil Riedesel. Motion was seconded by Wilbert Sauermilch and carried unanimously.
5.
  - A. PUBLIC HEARING ON THE NON-EXEMPT DRILLING AND OPERATING PERMIT APPLICATIONS FROM PIONEER NATURAL RESOURCES ON BARBARA COSTLOW'S PROPERTY. PROPOSED PERMIT IS TO HYDRAULIC FRACTURE AN OILFIELD LOCATION AND IS REQUESTING 20 AF OF WATER PER YEAR. PROPERTY IS LOCATED ½ MILE WEST ON VON HAEFEN RD NEAR CUERO AND INVOLVES 64.9 ACRES. No comment or objections stated.
  - B. DISCUSSION AND CONSIDERATION OF THE NON-EXEMPT DRILLING AND OPERATING PERMIT APPLICATIONS FROM PIONEER NATURAL RESOURCES ON BARBARA COSTLOW'S PROPERTY. OPERATING PERMIT APPLICATION REQUESTS 20 AF OF WATER PER YEAR. PROPERTY IS LOCATED ½ MILE WEST ON VON HAEFEN RD NEAR CUERO AND INVOLVES 64.9 ACRES: A motion to approve these Applications was made by Ted Aven. Motion was seconded by Clem Waskow and carried unanimously.

6.

- A. PUBLIC HEARING ON THE NON-EXEMPT DRILLING AND OPERATING PERMIT APPLICATIONS FROM PIONEER NATURAL RESOURCES ON RICHARD GOHMERT'S PROPERTY. PROPOSED PERMIT IS TO HYDRAULIC FRACTURE AN OILFIELD LOCATION AND IS REQUESTING 20 AF OF WATER PER YEAR. PROPERTY IS LOCATED ½ MILE DOWN WOFFORD LANE NEAR CUERO AND INVOLVES 127.9 ACRES: No comment or objection stated.
- B. DISCUSSION AND CONSIDERATION OF THE NON-EXEMPT DRILLING AND OPERATING PERMIT APPLICATIONS FROM PIONEER NATURAL RESOURCES ON RICHARD GOHMERT'S PROPERTY. OPERATING PERMIT IS REQUESTING 20 AF OF WATER PER YEAR. PROPERTY IS LOCATED ½ MILE DOWN WOFFORD LANE NEAR CUERO AND INVOLVES 127.9 ACRES: A motion to approve these Applications was made by Clem Waskow, seconded by Wilbert Sauermilch, and carried unanimously.

7.

- A. PUBLIC HEARING ON THE NON-EXEMPT DRILLING AND OPERATING PERMIT APPLICATIONS FROM PIONEER NATURAL RESOURCES ON JAMES D. BRAMLETTE'S PROPERTY. PROPOSED PERMIT IS TO HYDRAULIC FRACTURE AN OILFIELD LOCATION AND IS REQUESTING 20 AF OF WATER PER YEAR. PROPERTY IS LOCATED APPROXIMATELY 3.7 MILES DOWN SMITH RANCH ROAD NEAR CUERO AND INVOLVES 407.56 ACRES: No comment or objection stated.
- B. DISCUSSION AND CONSIDERATION OF THE NON-EXEMPT DRILLING AND OPERATING PERMIT APPLICATIONS FROM PIONEER NATURAL RESOURCES ON JAMES D. BRAMLETTE'S PROPERTY REQUESTING 20 AF OF WATER PER YEAR. PROPERTY IS LOCATED APPROXIMATELY 3.7 MILES DOWN SMITH RANCH ROAD NEAR CUERO AND INVOLVES 407.56 ACRES: A motion to approve these applications was made by Ted Aven, seconded by Clem Waskow, and carried unanimously.

8.

- A. PUBLIC HEARING ON THE OPERATING PERMIT APPLICATION FROM PETRO HAWK ENERGY ON NICK OCHOA'S PROPERTY. PROPOSED PERMIT IS TO BE USED TO HYDRAULIC FRACTURE AN OILFIELD LOCATION AND IS REQUESTING 20 AF OF WATER PER YEAR. PROPERTY IS LOCATED 1 MILE NORTH OF THE INTERSECTION OF DWORACZYK RD AND FM 2656 NEAR YORKTOWN AND INVOLVES 135.80 ACRES: No comment or objection stated.
- B. DISCUSSION AND CONSIDERATION OF THE OPERATING PERMIT APPLICATION FROM PETRO HAWK ENERGY ON NICK OCHOA'S PROPERTY REQUESTING 20 AF OF WATER PER YEAR. PROPERTY IS LOCATED 1 MILE NORTH OF THE INTERSECTION OF DWORACZYK RD AND FM 2656 AND INVOLVES 135.80 ACRES: A motion to approve the Application was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.

9.

- A. PUBLIC HEARING ON THE OPERATING PERMIT APPLICATION FROM PETRO HAWK ENERGY ON RICHARD SCHENDEL ET AL'S PROPERTY. PROPOSED PERMIT IS TO BE USED TO HYDRAULIC FRACTURE AN OILFIELD LOCATION AND IS REQUESTING 15 AF OF WATER PER YEAR. PROPERTY IS LOCATED AT THE INTERSECTION OF DWORCZYK RD AND COUNTY RD 318 NEAR YORKTOWN AND INVOLVES 135.80 ACRES: No comment or objection stated.
- B. DISCUSSION AND CONSIDERATION OF THE OPERATING PERMIT APPLICATION FROM PETRO HAWK ENERGY ON RICHARD SCHENDEL ET AL'S PROPERTY REQUESTING 15 AF OF WATER PER YEAR. PROPERTY IS LOCATED AT THE INTERSECTION OF DWORCZYK RD AND COUNTY RD 318 NEAR YORKTOWN AND INVOLVES 135.80 ACRES: A motion to approve Application was made by Wilbert Sauermilch, seconded by Ted Aven, and carried unanimously.

10.

A. PUBLIC HEARING ON THE NON-EXEMPT DRILLING PERMIT APPLICATION ON RON JURICA'S PROPERTY. THE NON-EXEMPT DRILLING PERMIT APPLICATION IS REQUESTING 2 AF OF WATER PER YEAR FOR IRRIGATION. PROPERTY IS LOCATED AT 3187 US HWY 77A SOUTH NEAR YOAKUM AND INVOLVES 100.65 ACRES: No comment or objection stated.

B. DISCUSSION AND CONSIDERATION ON THE NON-EXEMPT DRILLING PERMIT APPLICATION ON RON JURICA'S PROPERTY REQUESTING 2 AF OF WATER PER YEAR FOR IRRIGATION. PROPERTY IS LOCATED AT 3187 US HWY 77A SOUTH NEAR YOAKUM AND INVOLVES 100.65 ACRES: A motion to approve Application was made by Wilbert Sauermilch, seconded by Clem Waskow, and carried unanimously.

11. MINUTES FROM 02-15-11 MEETING (PROVIDED PRIOR TO MEETING): A motion to approve the minutes as presented was made by Ted Aven, seconded by Wilbert Sauermilch, and carried unanimously.

12. FINANCIAL REPORT: The financial reports were presented by GM. A motion to approve the financial reports as presented was made by Wilbert Sauermilch, seconded by Gil Riedesel, and carried unanimously.

13. DISCUSSION AND CONSIDERATION OF INTERA CONTRACT FOR GROUNDWATER STUDY: GM was asked about adding language into the contract to allow the District to reserve 10% from the final payment until completion of study and receipt of final report. She is to consult District's attorney, Jim Allison, for his opinion on the need for this insertion. A motion to approve the contract, contingent upon advice from Attorney Allison, was made by Gil Riedesel. Motion was seconded by Wilbert Sauermilch and carried unanimously.

14. DISCUSSION AND CONSIDERATION OF ANNUAL REPORT: GM's Annual Report was distributed to Board for their review.

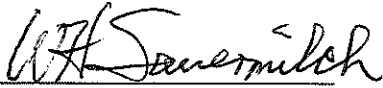
15. DISCUSSION AND CONSIDERATION OF MAG REPORT BY TWDB: The Managed Available Groundwater Report as prepared by Texas Water Development Board was presented to the Board for their review. A summary of data pertaining to PVGCD was also given to Board members.

16. GENERAL MANAGER'S REPORT:

- a) Twice yearly static levels readings of all monitor wells have been completed. Information will be published in the newspapers. Two of the wells showed a significant drop and will be rechecked next month.
- b) GM addressed the local Farm Bureau membership, as well as the DeWitt County Commissioner's Court, to discuss the District's position on S.B. 332. Presentations will also be made to Cuero City Council, Yorktown City Council, Nordheim City Council, Yoakum City Council, Lion's Club of Cuero, Rotary Club of Cuero, and Young Farmers.
- c) Goliad County GCD will be hosting a "Fracking" Seminar on April 14, 2011. GM was asked to present information on water usage in DeWitt County and our relationships with the Oil & Gas Companies.
- d) GM will attend the TAGD meeting in Austin on March 30-31, 2011.
- e) One Oil & Gas company has recently installed dual meters on all new locations so that both drilling rig water and frack use water can be reported accurately. They have voluntarily modified their monthly water usage reports to reflect this information which is extremely beneficial to PVGCD in tracking water use. All companies drilling in the area are now using meters on new locations which is a significant improvement.

17. EXECUTIVE SESSION: Chairman Knippa opened an Executive Session at 4:20 P.M.

18. RETURN TO OPEN MEETING (IF NECESSARY): Open meeting was resumed at 4:40 P.M. A motion to increase the salary of the Administrative Assistant by 10%, effective April 1, 2011, was made by Ted Aven. Motion was seconded by Clem Waskow and carried unanimously.
19. NEXT SCHEDULED BOARD MEETING: Next meeting is scheduled for April 19, 2011, at 3:00 P.M.
20. ADJOURNMENT: The meeting was adjourned at 4:45 P.M. by Chairman Knippa with a motion from Ted Aven, seconded by Clem Waskow, and carried unanimously.



Sec/Wilbert Sauermilch

Recorded: Marcia Mann, Secretary