

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

PUBLIC HEARING AND BOARD MEETING

MINUTES

JULY 19, 2011 – 2:00 P.M.

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

Also in attendance: Charlotte Krause, GM, Jim Allison, District's Attorney, Marcia Mann, Administrative Assistant, and Tim Pennell, replacement for Ted Aven as Director (Pct. 1).

Guests: Bill Pace (Conoco/Phillips/Burlington), Paige Powers, Robert Garner, Pat Ruckstuhl, & James Pittman (Petrohawk), and Jack Rickman.

1. Call to Order: The meeting was called to order by the Chairman at 2:00 P.M. Ted Aven gave his resignation from the Board effectively immediately. Chairman administered the Oath of Office to Tim Pennell, appointed to replace Aven, and Pennell assumed his position as Pct. 1 Director immediately.
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 Connie Williams' 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 County Rd. 244 near Yoakum, Texas and involves 52.34 acres: No public comment or objection stated.  
B. Discussion and consideration of the Operating Permit Application from Petrohawk Energy on Connie Williams' property: A motion to approve the operating permit for 20 AF of water per year was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.
5. A. Public Hearing on the Operating Permit Application from Petrohawk Energy on James Nelson's property. The proposed permit is to hydraulic fracture an oilfield location. The operating permit application is requesting 15 acre feet of water per year. This property is located on FM 2656 near Yorktown, Texas and involves 112.2 acres: GM reported that this application contained incorrect information and requested that no action be taken.  
B. Discussion and consideration of the Operating Permit Applications from Petrohawk Energy on James Nelson's property: No action taken.
6. A. Public Hearing on the Operating Permit Application from Petrohawk Energy on Angel Cantu's property. The proposed permit is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 48 AF (acre feet) of water per year. This property is

located on County Rd. 138 near Westhoff, Texas and involves 97.3 acres: Petrohawk representatives stated that this is a 3-well pad which will be drilling simultaneously.

- B. Discussion and consideration of the Operating Permit Application from Petrohawk Energy on Angel Cantu's property:** A motion to approve operating permit for 48 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 Lee and Patrick Butler's property.** The proposed permit is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 30 AF (acre feet) of water per year. This property is located on County Rd. 323 near Nordheim, Texas and involves 162.08 acres: Petrohawk representatives stated that this is a dual-well pad .
- B. Discussion and consideration of the Operating Permit Application from Petrohawk Energy on Lee and Patrick Butler's property:** A motion to approve operating permit for 30 AF of water was made by Gil Riedesel, seconded by Clem Waskow, and carried unanimously.
8. **A. Public Hearing on the Operating Permit Application from Petrohawk Energy on May Pearl Aldis' 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 County Rd. 242 near Yoakum, Texas and involves 207.1 acres: No public comment or objection stated.
- B. Discussion and consideration of the Operating Permit Application from Petrohawk Energy on May Pearl Aldis' property:** A motion to approve the operating permit in the amount of 15 AF was made by Clem Waskow, seconded by Wilbert Sauermilch, and carried unanimously.
9. **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. This property is located on Williams Road near Yoakum, Texas and involves 125 acres: No public comment or objection stated.
- B. Discussion and consideration of 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 was made by Gil Riedesel, seconded by Tim Pennell, and carried unanimously.
10. **A. Public Hearing on the Operating Permit Application from Burlington Resources on Chad & Kimberly Hahn's property.** The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 100 acre feet of water per year. This property is located on Klein Rd. near Yorktown, Texas and involves 200 acres: Burlington representative decreased the requested AF from 100 to 20.
- B. Discussion and consideration of the Operating Permit Application from Burlington Resources on Chad & Kimberly Hahn's property:** A motion to approve operating permit in the amount of 20 AF was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.
11. **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 plant. The Operating Permit Application is requesting 10 acre feet of water per year. This property is located on St. John's

School Rd. near Mustang Mott, Texas and involves 20 acres: No public comment or objection stated.

**B. Discussion and consideration of 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 10 acre feet was made by Wilbert Sauermilch, seconded by Clem Waskow, and carried unanimously.

12. **A. Public Hearing on the Non-exempt Drilling and Operating Permit Applications from DM Collier.** The proposed permit application is to be for irrigation. The Operating Permit Application is requesting 180 acre feet of water per year for a total of 790 acre feet. This property is located on FM 953 near Cuero, Texas, and involves 2,113 acres: GM stated that this is the 3<sup>rd</sup> irrigation well being drilled on this property.

**B. Discussion and consideration of the Non-exempt Drilling and Operating Permit Applications from DM Collier:** A motion to approve the drilling permit and to approve operating permit in the amount of 180 acre feet was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.

13. **A. Public Hearing on the Non-exempt Drilling and Operating Permit Applications from DM Collier.** The proposed permit application is to be used for irrigation. The Operating Permit Application is requesting 180 acre feet of water per year for a total of 970 acre feet per year. This property is located on FM 953 near Cuero, Texas and involves 2,113 acres: GM stated that this is the 4<sup>th</sup> irrigation well being drilled on this property.

**B. Discussion and consideration of the Non-exempt Drilling and Operating Permit Applications from DM Collier:** A motion was made to approve the drilling permit and to approve operating permit in the amount of 180 acre feet by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.

14. **Minutes from 6-21-11 and 7-8-11 meetings (provided prior to meeting):** A motion to approve both sets of minutes as presented was made by Wilbert Sauermilch, seconded by Gil Riedesel, and carried unanimously.

15. **Financial Report:** A motion to approve the financial reports as presented was made by Wilbert Sauermilch, seconded by Tim Pennell, and carried unanimously.

16. **Discussion and consideration of supporting Victoria County GCD member for the Region L vacant County Position:** Board expressed interest in having candidate Kevin Janak, as well as all Region L Board members, to meet with PVGCD Board to discuss local concerns and interests. Attorney Allison volunteered to provide a list of Region L Board members to be contacted by GM. A motion to approve Resolution Number 11 07 19 supporting Kevin Janak to fill the vacant County position for Region L was made by Clem Waskow, seconded by Wilbert Sauermilch, and carried unanimously.

17. **Discussion and consideration of liability and property insurance coverage:** A motion to make no changes to the liability insurance coverage was made by Wilbert Sauermilch, seconded by Tim Pennell, and carried unanimously.

18. Discussion and consideration workers comp insurance Payroll Adjustment Form: A motion to accept the payroll adjustment form as presented was made by Gil Riedesel, seconded by Tim Pennell, and carried unanimously.
19. Discussion and consideration of setting date for Budget workshop prior to August Board meeting: GM was asked to email the Board a list of potential dates for the budget workshop.
20. Discussion and consideration of changing board meeting time: GM suggested setting a standard time for monthly board meetings, rather than changing each month. A motion to set monthly board meeting time at 2:00 P.M. was made Clem Waskow, seconded by Wilbert Sauermilch, and carried unanimously.
21. Discussion regarding monitor well report: GM presented a report to the Board with the July monitor well static level readings. This information will also be sent to Intera for interpretation. Board requested that GM schedule Intera to make a presentation on the progress of the groundwater study.
22. General Manager's Report:
  - GM attended the quarterly TAGD meeting in Austin. Legislative updates and bylaws updates were provided to Board.
  - Monitor well readings for July are 90% complete and should be completed soon.
  - Job posting for the Field Agent position is being published in all area newspapers.
  - An open meeting is being held in Goliad on August 4, at 5:30 p.m. with EPA representatives to discuss local concerns regarding uranium mining. Meeting is being sponsored by Goliad GCD.
23. Closed Meeting: No Executive session was called
24. Return to Open Meeting: No Executive session was called.
25. Next Scheduled Board Meeting Date: Next meeting is scheduled for August 16, 2011 at 2:00 p.m.
26. Adjournment: Meeting was adjourned at 3:45 P.M. by the Chairman with a motion from Clem Waskow, a second by Wilbert Sauermilch, and carried unanimously.



Sec/Wilbert Sauermilch

Recorded: Marcia Mann, Admin. Assistant