

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

PUBLIC HEARING AND BOARD MEETING  
MINUTES

SEPTEMBER 20, 2011 – 2:00 P.M.

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

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

Guests: Will Bledsoe, (Pioneer); Bill Pace and Zach Zbranek (ConocoPhillips/Burlington); Paige Powers, Robert Garner, and Charles Cole (Petrohawk); Mike Gohmert, Robert Egg, Calvin Rayes, Vernell Rayes, and Bernard Natho.

1. Call to Order: The meeting was called to order by the Chairman at 2:00 P.M.
2. Welcome Guests: Chairman welcomed guests and thanked them for their interest.
3. Public Comment: None at this time.
4. Public Hearing – Shea Kelly
  - A. Public Hearing on the Drilling and Operating Permit Applications from Shea Kelly. The proposed permit application is to be used for an RV Park. The Operating Permit Application is requesting 3 AF (acre feet) of water per year. This property is located on FM 682 near Yoakum, Texas and involves 21 acres: No public comment or objection.
  - B. Discussion and possible action on the Drilling and Operating Permit Applications from Shea Kelly: A motion to approve the Drilling permit and to approve the Operating Permit in the amount of 3 (acre feet) of water per year was made by Clem Waskow, seconded by Wilbert Sauermilch, and carried unanimously.
5. Public Hearing – TRPMHF, Inc.
  - A. Public Hearing on the Drilling and Operating Permit Application from TRPMHF, Inc. The proposed permit application is to be used for commercial purposes for office space and a maintenance yard. The Operating Permit Application is requesting 2.5 AF (acre feet) of water per year. This property is located on Hwy 72 W at the city limits of Yorktown, Texas and involves 5 acres: No public comment or objection.
  - B. Discussion and possible action on the Drilling and Operating Permit Applications from TRPMHF, Inc: A motion to approve the Drilling permit and to approve the Operating permit in the amount of 2.5 AF (acre feet) of water per year was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.
6. Public Hearing - Renegade Well Service
  - A. Public Hearing on the Drilling and Operating Permit Application from Renegade Well Service. The proposed permit application is to be used for commercial purposes for office space and a maintenance yard. The Operating Permit Application is requesting 2.5 AF (acre feet) of

- A. Public Hearing on the Operating Permit Amendment Application from Burlington Resources O&G CO LP on Mary Steves's Property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 20 AF (acre feet) of water for a total of 60 AF per year. This property is located on Klein Road near Yorktown, Texas and involves 383 acres: No public comment or objection stated.
- B. Discussion and consideration on the Operating Permit Amendment Application from Burlington Resources O&G LP on Mary Steves's property: A motion to approve Operating permit amendment application in the amount of 20 AF (acre feet) of water for a total of 60 AF (acre feet) of water per year was made by Wilbert Sauermilch, seconded by Tim Pennell, and carried unanimously.

11. Public Hearing – Burlington Resources O&G CO, LP – Hooks Properties

- A. Public Hearing on the Operating Permit Application from Burlington Resources O&G CO LP on Hooks Properties 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 Bellevue Cemetery Road near Cheapside, Texas and involves 2,889 acres: No public comment or objection stated.
- B. Discussion and consideration on the Operating Permit Application from Burlington Resources O&G LP on Hooks Properties' property: A motion to approve the Operating permit in the amount of 20 AF (acre feet) of water per year was made by Clem Waskow, seconded by Gil Riedesel, and carried unanimously.

12. Public Hearing – Petrohawk Energy – Arthur G Hermann

- A. Public Hearing on the Operating Permit Application from Petrohawk Energy on Arthur G Hermann'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 for a total of 48 AF per year. This property is located on McCurdy Road near Cuero, Texas and involves 548.78 acres: No public comment or objection stated.
- B. Discussion and possible action on the Operating Permit Application from Petrohawk Energy on Arthur G. Herman's property: A motion to approve the Operating permit in the amount of 20 AF (acre feet) of water for a total of 48 AF (acre feet) of water per year was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.

13. Public Hearing – Petrohawk Energy – Arthur G. Hermann

- A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Arthur G. Hermann's Property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 25 AF (acre feet) of water for a total of 73 AF per year. This property is located on McCurdy Road near Cheapside, Texas and involves 548.78 acres: No public comment or objection stated.
- B. Discussion and possible action on the Operating Permit Amendment Application from Petrohawk Energy on Arthur G. Herman's property: A motion to approve the Operating amendment application in the amount of 25 AF (acre feet) of water for a total of 73 AF (acre feet) of water per year was made by Tim Pennell, seconded by Clem Waskow, and carried unanimously.

oilfield location. The Operating Permit Application is requesting 40 AF (acre feet) of water per year. This property is located on Hwy 87N near Mustang Mott, Texas and involves 144.98 acres: Landowner's representative asked why so much water is being requested. Petrohawk representative explained that some of the water is being used on other locations besides Mr. Dlugosch's property. Landowner's representative was concerned about having sufficient water if the current exempt well is affected by drought or excessive pumping. GM explained that in the event of an exempt well failing to produce sufficient water, a replacement well could be drilled, regardless of any permitted wells on the property.

- B. Discussion and consideration on the Operating Permit Application from Petrohawk Energy on Bernard Dlugosch's property: A motion to approve the Operating permit in the amount of 40 AF (acre feet) of water per year was made by Tim Pennell, seconded by Clem Waskow, and carried unanimously.

19. Public Hearing – Petrohawk Energy – Karen Brandt

- A. Public Hearing on the Operating Permit Application from Petrohawk Energy on Karen Brandt's Property #1. 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 for a total of 52.89 AF per year. This property is located on Noe Hinojosa Road near Nordheim, Texas and involves 455.7 acres: No public comment or objection stated.
- B. Discussion and consideration on the Operating Permit Application from Petrohawk Energy on Karen Brandt's property: A motion to approve the Operating permit in the amount of 20 AF (acre feet) of water for a total of 52.89 AF (acre feet) of water per year was made by Tim Pennell, seconded by Clem Waskow, and carried unanimously.

20. Public Hearing – Petrohawk Energy – Karen Brandt

- A. Public Hearing on the Operating Permit Application from Petrohawk Energy on Karen Brandt'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 for a total of 72.89 AF per year. This property is located on Noe Hinojosa Road near Nordheim, Texas and involves 455.7 acres: No public comment or objection stated.
- B. Discussion and consideration on the Operating Permit Application from Petrohawk Energy on Karen Brandt's property: A motion to approve the Operating permit in the amount of 20 AF (acre feet) of water for a total of 72.89 AF (acre feet) of water per year was made by Tim Pennell, seconded by Clem Waskow, and carried unanimously.

21. Public Hearing – Petrohawk Energy – Russell Judd

- A. Public Hearing on the Operating Permit Application from Petrohawk Energy on Russell Judd'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 Boldt Road near Westhoff, Texas and involves 158.12 acres: No public comment or objection stated.
- B. Discussion and consideration on the Operating Permit Application from Petrohawk Energy on Russell Judd's property: A motion to approve the Operating permit in the amount of 20 AF (acre feet) of water per year was made by Tim Pennell, seconded by Clem Waskow, and carried unanimously.

22. Public Hearing – Petrohawk Energy - Andrew Hodge

per year. This property is located on FM 766 near Cheapside, Texas and involves 544 acres: No public comment or objection stated.

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

27. Public Hearing – Petrohawk Energy – Colina Ventosa, LTD

- A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Colina Ventosa LTD's Property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 30 AF (acre feet) of water for a total of 43 AF per year. This property is located on Cheapside Road near Westhoff, Texas and involves 345 acres: Attorney Allison requested clarification on which locations the additional water will be used.
- B. Discussion and consideration on the Operating Permit Amendment Application from Petrohawk Energy on Colima Ventosa LTD's property: A motion to approve the Operating permit in the amount of 30 AF (acre feet) of water for a total of 43 AF (acre feet) of water per year, contingent upon Petrohawk's submission of clarification of which locations they plan to use this water on, was made by Clem Waskow, seconded by Tim Pennell, and carried unanimously.

28. Public Hearing – Petrohawk Energy – Oliver Ventures, LP

- A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Oliver Ventures LP's Property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 15 AF (acre feet) of water for a total of 27.89 AF per year. This property is located on Bellevue Cemetery Road near Westhoff, Texas and involves 944 acres: No public comment or objection stated.
- B. Discussion and consideration on the Operating Permit Amendment Application from Petrohawk Energy on Oliver Ventures, LP's property: A motion to approve the Operating permit in the amount of 15 AF (acre feet) of water for a total of 27.89 AF (acre feet) of water per year was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously

29. Public Hearing – Petrohawk Energy – Michael Gwosdz

- A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Michael Gwosdz's Property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 10 AF (acre feet) of water for a total of 25 AF per year. This property is located on FM 2980 near Nordheim, Texas and involves 54.27 acres: No public comment or objection stated
- B. Discussion and consideration on the Operating Permit Amendment Application from Petrohawk Energy on Michael Gwosdz's property: A motion to approve the Operating permit in the amount of 10 AF (acre feet) of water for a total of 25 AF (acre feet) of water per year was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.

30. Public Hearing – Petrohawk Energy – Lee & Patrick Butler

- B. Discussion and consideration on the Operating Permit Amendment Application from Petrohawk Energy on Steele Partner's property: A motion to approve the Operating permit amendment request in the amount of 50 (acre feet) of water for a total of 81 (acre feet) of water per year was made by Tim Pennell, seconded by Clem Waskow, and carried unanimously.

34. Public Hearing – Petrohawk Energy – Lisa Caskey

- A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Lisa Caskey's Property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 15 AF (acre feet) of water for a total of 41 AF per year. This property is located on FM 2656 near Nordheim, Texas and involves 192 acres: No public comment or objection stated.
- B. Discussion and consideration on the Operating Permit Amendment Application from Petrohawk Energy on Lisa Caskey's property: A motion to approve the Operating permit amendment in the amount of 15 (acre feet) of water for a total of 41 (acre feet) of water per year was made by Wilbert Sauermilch, seconded by Clem Waskow, and carried unanimously.

35. Public Hearing – Petrohawk Energy – Johnny Pokluda

- A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Johnny Pokluda's Property #1. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 14 AF (acre feet) of water for a total of 39.89 AF per year. This property is located on S.A. Butler Road near Nordheim, Texas and involves 108 acres: No public comment or objection stated
- B. Discussion and consideration on the Operating Permit Amendment Application from Petrohawk Energy on Johnny Pokluda's property: A motion to approve the Operating permit amendment in the amount of 14 (acre feet) of water for a total of 39.89 (acre feet) of water per year was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.

36. Public Hearing – Petrohawk Energy – Johnny Pokluda

- A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Johnny Pokluda's Property #2. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 14 AF (acre feet) of water for a total of 53.89 AF per year. This property is located on S.A. Butler Road near Nordheim, Texas and involves 108 acres: No public comment or objection stated
- B. Discussion and consideration on the Operating Permit Amendment Application from Petrohawk Energy on Johnny Pokluda's property: A motion to approve the Operating permit amendment in the amount of 14 (acre feet) of water for a total of 53.89 (acre feet) of water per year was made by Wilbert Sauermilch, seconded by Tim Pennell, and carried unanimously.

37. Public Hearing – Petrohawk Energy – Edward Butler

- A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Edward Butler's Property. The proposed permit amendment application is to be used to

- B. Discussion and consideration on the Operating Permit Amendment Application from Petrohawk Energy on Betty Warren's property: A motion to approve the Operating permit amendment in the amount of 36 (acre feet) of water for a total of 51 (acre feet) of water per year was made by Gil Riedesel, seconded by Tim Pennell, and carried unanimously.

41. Public Hearing – Petrohawk Energy – Betty Warren

- A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Betty Warren's Property #2. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 36 AF (acre feet) of water for a total of 107 AF per year. This property is located on Schlenstadt Road near Westhoff, Texas and involves 245 acres: No public comment or objection stated.
- B. Discussion and consideration on the Operating Permit Amendment Application from Petrohawk Energy on Betty Warren's property: A motion to approve the Operating permit amendment in the amount of 36 (acre feet) of water for a total of 107 (acre feet) of water per year was made by Wilbert Sauermilch, seconded by Clem Waskow, and carried unanimously.

42. Public Hearing – Petrohawk Energy – May Pearl Aldis

- A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on May Pearl Aldis's Property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 20 AF (acre feet) of water for a total of 35 AF per year. This property is located on CR 242 near Concrete, Texas and involves 207.1 acres: No public comment or objection stated.
- B. Discussion and consideration on the Operating Permit Amendment Application from Petrohawk Energy on May Pearl Aldis' property: A motion to approve the Operating permit amendment in the amount of 20 (acre feet) of water for a total of 35 (acre feet) of water per year was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.

43. Public Hearing – Petrohawk Energy – Bernard & Joyce Warwas

- A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Bernard & Joyce Warwas's Property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 30 AF (acre feet) of water for a total of 43 AF per year. This property is located on Cabeza Road near Nordheim, Texas and involves 99.6 acres: No public comment or objection stated.
- B. Discussion and consideration on the Operating Permit Amendment Application from Petrohawk Energy on Bernard & Joyce Warwas' property: A motion to approve the Operating permit amendment in the amount of 30 (acre feet) of water for a total of 43 (acre feet) of water per year was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.

47. Public Hearing – Pioneer Natural Resources – William C Kleine

- A. Public Hearing on the Operating Permit Amendment Application from Pioneer Natural Resources on William C Kleine's Property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 20 AF (acre feet) of water for a total of 40 AF per year. This property is located on FM 240 near Yorktown, Texas and involves 280.9 acres: No public comment or objection stated.
- B. Discussion and consideration on the Operating Permit Amendment Application from Pioneer Natural Resources on William C Kleine's property: A motion to approve the Operating permit amendment in the amount of 20 (acre feet) of water for a total of 40 (acre feet) of water per year was made by Gil Riedesel, seconded by Tim Pennell, and carried unanimously.

48. Public Hearing – Pioneer Natural Resources – Jeanette Duderstadt

- A. Public Hearing on the Operating Permit Amendment Application from Pioneer Natural Resources on Jeanette Duderstadt's Property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 40 AF (acre feet) of water for a total of 60 AF per year. This property is located on FM 2542 near Mustang Mott, Texas and involves 640 acres: No public comment or objection stated.
- B. Discussion and consideration on the Operating Permit Amendment Application from Pioneer Natural Resources on Jeanette Duderstadt's property: A motion to approve the Operating permit amendment in the amount of 40 (acre feet) of water for a total of 60 (acre feet) of water per year was made by Tim Pennell, seconded by Gil Riedesel, and carried unanimously.

49. Public Hearing – Pioneer Natural Resources – Karine Malant Gips

- A. Public Hearing on the Operating Permit Amendment Application from Pioneer Natural Resources on Karine Malant Gips's Property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 16.49 AF (acre feet) of water for a total of 56.49 AF per year. This property is located on Westside Cemetery Road near Yorktown, Texas and involves 112.99 acres: No public comment or objection stated.
- B. Discussion and consideration on the Operating Permit Amendment Application from Pioneer Natural Resources on Karine Malant Gips's property: A motion to approve the Operating permit amendment in the amount of 16.49 (acre feet) of water for a total of 56.49 (acre feet) of water per year was made by Tim Pennell, seconded by Gil Riedesel, and carried unanimously.

50. Public Hearing – Pioneer Natural Resources – Hope Schorlemer

- A. Public Hearing on the Operating Permit Amendment Application from Pioneer Natural Resources on Hope Schorlemer's Property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 20 AF (acre feet) of water for a total of 40 AF per year. This property is located on FM 119 near Yorktown, Texas and involves 188.11 acres: No public comment or objection stated.
- B. Discussion and consideration on the Operating Permit Amendment Application from Pioneer Natural Resources on Hope Schorlemer's property: A motion to approve the Operating

58. Review Personnel Policy: Board was asked to review the District's Personnel Policy for possible changes. A motion to keep the present Personnel Policy with no changes was made by Wilbert Sauermilch, seconded by Clem Waskow, and carried unanimously.

59. General Manager Report:

- A full-time Field Agent has been hired and will report for work on Oct. 3, 2011.
- Personnel from Pioneer Natural Resources came from the Houston office to clarify District permitting procedures in an effort to streamline the Application process.
- GM sent out five letters with information on permitting procedures to new RV park operators. To date only one response has been received.

60. 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 was called.

61. 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 was called.

62. Next Scheduled Board Meeting Date: Next meeting is scheduled for October 18, 2011, at 2:00 p.m.

63. Adjournment: Meeting was adjourned at 4:10 p.m. by the Chairman with a motion from Wilbert Sauermilch, seconded by Clem Waskow, and carried unanimously.



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Sec/Wilbert Sauermilch

Recorded: Marcia Mann, Admin. Assistant