

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

PUBLIC HEARING
MINUTES
AUGUST 21, 2012 – 2:00 P.M.

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

Board Members Absent: Tim Pennell, Director (Pct. 1).

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

Guests: Brittney Harryman and Robert Garner (Petrohawk Energy); Bill Pace (ConocoPhillips); Will Bledsoe (Pioneer Natural Resources); Karen Coward; and Robert Egg.

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: No public comment.
4. Public Hearing – Burlington Resources – Warren Siedel
 - A. Public Hearing on the Operating Permit Amendment Application from Burlington Resources on Warren Siedel's Property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 45 AF (acre feet) of water per year for a total of 75 AF (acre feet) of water per year. This property is located on Seidel Road near Westhoff, Texas and involves 237 acres: No public comment or objection stated.
 - B. Discussion and consideration of Operating Permit Amendment Application from Burlington Resources on Warren Seidel's property: A motion to approve the Operating Permit Amendment Application in the amount of 45 AF (acre feet) of water per year for a total of 75 AF (acre feet) of water per year was made by Clem Waskow, seconded by Wilbert Sauermilch, and carried unanimously.
5. Public Hearing – Burlington Resources – Bill Bargmann
 - A. Public Hearing on the Operating Permit Amendment Application from Burlington Resources on Bill Bargmann'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 per year for a total of 85 AF (acre feet) of water per year. This property is located on FM 238 near Westhoff, Texas and involves 270 acres: No public comment or objection stated.
 - B. Operating Permit Amendment Application from Burlington Resources on Bill Bargmann's property: A motion to approve the Operating Permit Amendment Application in the amount of 30 AF (acre feet) of water per year for a total of 85 AF (acre feet) of water per year was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.

6. Public Hearing – Burlington Resources – Marvin Koopman
 - A. Public Hearing on the Operating Permit Amendment Application from Burlington Resources on Marvin Koopman'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 per year for a total of 40 AF (acre feet) of water per year. This property is located on Matejek Road near Westhoff, Texas and involves 363 acres: No public comment or objection stated.
 - B. Discussion and consideration of Operating Permit Amendment Application from Burlington Resources on Marvin Koopman's property: A motion to approve the Operating Permit Amendment Application in the amount of 20 AF (acre feet) of per year for a total of 40 AF (acre feet) of water per year was made by Clem Waskow, seconded by Gil Riedesel, and carried unanimously.
7. Public Hearing – Burlington Resources – Alvin Borchardt
 - A. Public Hearing on the Operating Permit Amendment Application from Burlington Resources on Alvin Borchardt'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 per year for a total of 70 AF (acre feet) of water per year. This property is located on FM 240 near Westhoff, Texas and involves 332 acres: No public comment or objection stated.
 - B. Discussion and consideration of Operating Permit Amendment Application from Burlington Resources on Alvin Borchardt's property: A motion to approve the Operating Permit Amendment Application in the amount of 10 AF (acre feet) of water per year for a total of 70 AF (acre feet) of water per year was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.
8. Public Hearing – Burlington Resources – Frank & Karen Coward
 - A. Public Hearing on the Operating Permit Application from Burlington Resources on Frank & Karen Coward's Property. The proposed permit application 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 FM 766 near Hochheim, Texas and involves 618 acres: No public comment or objection stated.
 - B. Discussion and consideration of Operating Permit Application from Burlington Resources on Frank & Karen Coward's property: A motion to approve the Operating Permit Application in the amount of 15 AF (acre feet) of water per year was made by Wilbert Sauermilch, seconded by Gil Riedesel, and carried unanimously.
9. Public Hearing – Burlington Resources – Michael Chumchall
 - A. Public Hearing on the Operating Permit Application from Burlington Resources on Michael Chumchall's Property. The proposed permit application 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 CR 223 near Hochheim, Texas and involves 101.7 acres: No public comment or objection stated.
 - B. Discussion and consideration of Operating Permit Application from Burlington Resources on Michael Chumchall's property: A motion to approve the Operating Permit Application in the

amount of 15 AF (acre feet) of water per year was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.

10. Public Hearing – Burlington Resources – Ira & Nancy Arent

- A. Public Hearing on the Drilling and Operating Permit Applications Burlington Resources on Ira & Nancy Arent's Property. The proposed permit application 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 Maron Road near Yorktown, Texas and involves 200 acres: No public comment or objection stated.
- B. Discussion and consideration of Drilling and Operating Permit Applications from Burlington Resources on Ira & Nancy Arent's property: A motion to approve the Drilling Permit Application and to approve the Operating Permit Application in the amount of 30 AF (acre feet) of water per year was made by Wilbert Sauermilch, seconded by Gil Riedesel, and carried unanimously.

11. Public Hearing – Pioneer Natural Resources – Stephen Schroeder

- A. Public Hearing on the Operating Permit Amendment Application from Pioneer Natural Resources on Stephen Schroeder's Property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting a decrease in production from 25.4 AF (acre feet) to 12.7 AF (acre feet) of water per year. This property is located on FM 108 near Yorktown, Texas and involves 50.85 acres: No public comment or objection stated.
- B. Discussion and consideration of the Operating Permit Amendment Application from Pioneer Natural Resources on Stephen Schroeder's Property: A motion to approve the decrease in production on the Operating Permit Application from 25.4 AF (acre feet) to 12.7 AF (acre feet) of water per year was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.

12. Public Hearing – Pioneer Natural Resources – Stephen Schroeder

- A. Public Hearing on the Operating Permit Amendment Application from Pioneer Natural Resources on Stephen Schroeder's property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 12.7 AF (acre feet) of water per year. This property is located on FM 108 near Yorktown, Texas and involves 50.85 acres: No public comment or objection stated.
- B. Discussion and consideration of Operating Permit Amendment Application from Pioneer Natural Resources on Stephen Schroeder's property: A motion to approve the Operating Permit Amendment Application in the amount of 12.7 AF (acre feet) of water per year was made by Wilbert Sauermilch, seconded by Gil Riedesel, and carried unanimously.

13. Public Hearing – Chesapeake Energy – Edward & Inez Hahn

- A. Public Hearing on the Operating Permit Amendment Application from Chesapeake 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 7 AF (acre feet) of water per year for a total of 20 AF (acre feet) of water per year. This property is located on FM 240 Road near Yorktown, Texas and involves 399 acres: No public comment or objection stated.
- B. Discussion and consideration of Operating Permit Amendment Application from Chesapeake Energy on Edward & Inez Hahn's property: A motion to approve the Operating Permit Amendment Application in the amount of 7 AF (acre feet) of water per year for a total of 20 AF

(acre feet) of water per year was made by Wilbert Sauermilch, seconded by Clem Waskow, and carried unanimously.

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

- A. Public Hearing on the Operating Permit Application from Petrohawk Energy on Alton & Betty Seifert's property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 30 AF (acre feet) of water per year for a total of 60 AF (acre feet) of water per year from two water wells. This property is located on Davy Road North near Yorktown, Texas and involves 128.28 acres: No public comment or objection stated.
- B. Discussion and consideration of the Operating Permit Application from Petrohawk Energy on Alton & Betty Seifert's property: A motion to approve the Operating Permit in the amount of 30 AF (acre feet) of water per year for a total of 60 AF (acre feet) of water per year from two water wells was made by Clem Waskow, seconded by Wilbert Sauermilch, and carried unanimously.

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

- A. Public Hearing on the Operating Permit Application from Petrohawk Energy on Alton & Betty Seifert's property #2. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 30 AF (acre feet) of water per year for a total of 60 AF (acre feet) of water per year from two water wells. This property is located on Davy Road North near Yorktown, Texas and involves 128.28 acres: No public comment or objection stated.
- B. Discussion and consideration of the Operating Permit Application from Petrohawk Energy on Alton & Betty Seifert's property #2: A motion to approve the Operating Permit in the amount of 30 AF (acre feet) of water per year for a total of 60 AF (acre feet) of water per year from two water wells was made by Wilbert Sauermilch, seconded by Gil Riedesel, and carried unanimously.

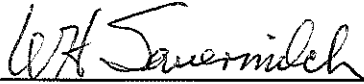
16. Public Hearing – Matador Production Company – Love Partnership Interest

- A. Public Hearing on the Drilling and Operating Permit Applications from Matador Production Company on Love Partnership Interest's property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 80 AF (acre feet) of water per year. This property is located on Weischkamper Road near Yorktown, Texas and involves 350.42 acres: No public comment or objection stated.
- B. Discussion and consideration of the Drilling and Operating Permit Applications Matador Production Company on Love Partnership Interest's property: A motion to approve the Drilling Permit and to approve the Operating Permit in the amount of 80 AF (acre feet) of water per year was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.

17. 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.

18. 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.

19. Next Scheduled Board Meeting Date: Next regular board meeting is scheduled for August 21, 2012, at 2:30 P.M.
20. Adjournment: Meeting was adjourned at 2:20 P.M. by the Chairman with a motion from Gil Riedesel, seconded by Wilbert Sauermilch, which carried unanimously.



Sec/Wilbert Sauermilch

Recorded: Marcia Mann, Admin. Assistant