

PECAN VALLEY GROUNDWATER CONSERVATION DISTRICT  
107 N. GONZALES CUERO, TX 77954  
PUBLIC HEARING AND BOARD MEETING  
MINUTES

MAY 21, 2013 – 2:00 P.M.

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

Board Members Absent: All present.

Also in attendance: Charlotte Krause, GM.

Guests: Brittney Harryman (Petrohawk/BHP).

1. Call to Order: The meeting was called to order by the Chairman at 2:00 P.M.
2. Welcome Guests: Guest was welcomed.
3. Public Comment: None at this time.
4. Oath of office and swearing in of new board member, Marvin Sager: Oath of Office was administered by Chairman Knippa for Marvin Sager who will be representing Precinct 4.

PUBLIC HEARINGS OPENED AT 2:01P.M.

5. Public Hearing – Burlington Resources – Bill & Glenn Braden
  - a. Public Hearing on the Operating Permit Application from Burlington Resources on Bill & Glenn Braden's property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 40 AF (acre feet) of water per year. This property is located on Steen Road near Cuero, Texas and involves 326.6 acres: No public comment or objection stated.
  - b. Discussion and consideration of operating permit application from Burlington Resources on Bill & Glenn Braden's property: A motion to approve the Operating Permit Application in the amount of 40 AF (acre feet) of water per year was made by Wilbert Sauermilch, seconded by Tim Pennell, and carried unanimously.
6. Public Hearing – Geosouthern Energy – Jennifer Laymon
  - a. Public Hearing on the Operating Permit Application from Geosouthern Energy on Jennifer Laymon's property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 40 AF of water per year. This property is located on Cheapside Rd. near Westhoff, Texas and involves 172.83 acres: No public comment or objection stated.
  - b. Discussion and consideration of operating permit application from Geosouthern Energy on Jennifer Laymon's property: A motion to approve the Operating Permit

Application in the amount of 40 AF (acre feet) of water per year was made by Tim Pennell, seconded by Clem Waskow, and carried unanimously.

7. Public Hearing – Chesapeake Energy – Edward & Irene Hahn

- a. Public Hearing on the Operating Permit Amendment Application from Chesapeake Energy on Edward & Irene Hahn's property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting an additional 63 AF (acre feet) of water per year for a total of 83 AF (acre feet) of water per year. This property is located on FM 240 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 & Irene Hahn's property: A motion to approve the Operating Permit Amendment Application in the amount of 63 AF (acre feet) of water per year for a total of 83 AF (acre feet) of water per year was made by Wilbert Sauermilch, seconded by Clem Waskow, and carried unanimously.

8. Public Hearing – Petrohawk Energy – Donald Elder

- a. Public Hearing on the Operating Permit Application from Petrohawk Energy on Donald Elder'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 40 AF (acre feet) of water per year from two water wells. This property is located on Elder Rd. near Westhoff, Texas and involves 284 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit application from Petrohawk Energy on Donald Elder's property: A motion to approve the Operating Permit Application in the amount of 20 AF (acre feet) of water per year for a total of 40 AF (acre feet) of water per year from two water wells was made by Tim Pennell, seconded by Clem Waskow, and carried unanimously.

9. Public Hearing – Petrohawk Energy – Edward Hahn

- a. Public Hearing on the Operating Permit Application from Petrohawk Energy on Edward Hahn's property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 30 AF of water per year. This property is located on Sandy Gate Rd. near Yorktown, Texas and involves 129 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit application from Petrohawk Energy on Edward Hahn's property: A motion to approve the Operating Permit Application in the amount of 30 AF (acre feet) of water per year was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.

10. Public Hearing – Petrohawk Energy – Kathryn Gips

- a. Public Hearing on the Operating Permit Application from Petrohawk Energy on Kathryn Gips's property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 40 AF

(acre feet) of water per year. This property is located on Kozelski Rd. near Westhoff, Texas and involves 121.8 acres: No public comment or objection stated.

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

11. Public Hearing – Petrohawk Energy – Rodney Butler

- a. Public Hearing on the Operating Permit Application from Petrohawk Energy on Rodney Butler's property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 25 AF (acre feet) of water per year for a total of 65 AF (acre feet) of water per year from two water wells. This property is located on Cabeza Rd. near Nordheim, Texas and involves 221 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit application from Petrohawk Energy on Rodney Butler's property: A motion to approve the Operating Permit Application in the amount of 25 AF (acre feet) of water per year for a total of 65 AF (acre feet) of water per year from two water wells was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.

12. Public Hearing – Petrohawk Energy – Don Hartman

- a. Public Hearing on the Operating Permit Application from Petrohawk Energy on Don Hartman's property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 20 AF of water per year. This property is located on Boldt Rd. near Westhoff, Texas and involves 220 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit application from Petrohawk Energy on Don Hartman's property: A motion to approve the Operating Permit Application in the amount of 20 AF (acre feet) of water per year was made by Tim Pennell, seconded by Marvin Sager, and carried unanimously.

13. Public Hearing – Petrohawk Energy – Johanna Wild Estate

- a. Public Hearing on the Operating Permit Application from Petrohawk Energy on Johanna Wild Estate's property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 30 AF of water per year. This property is located on Kozelski Rd. near Westhoff, Texas and involves 99.5 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit application from Petrohawk Energy on Johanna Wild Estate's property: A motion to approve the Operating Permit Application in the amount of 30 AF (acre feet) of water per year was made by Clem Waskow, seconded by Wilbert Sauermilch, and carried unanimously.

PUBLIC HEARINGS WERE CLOSED AT 2:15 P.M.

14. Minutes from 04/16/13 and 04/23/13 Meetings (provided prior to meeting): A motion to approve the minutes as presented was made by Wilbert Sauermilch, seconded by Clem Waskow, 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 issues concerning Allison, Bass & Associates lack of billing: GM was asked to remind Jim Allison that we still have not received a final bill for the past fiscal year or a bill for January 2013 to the current month, and make another request for billing. She was also asked to put together a list of board certified water law attorneys for consideration at the next meeting.
  17. Discussion and consideration of removing Gil Riedesel from the bank accounts and adding Marvin Sager to the bank accounts: A motion to remove Gil Riedesel from all District bank accounts and add Marvin Sager to District bank accounts was made by Wilbert Sauermilch, seconded by Clem Waskow, and carried unanimously.
  18. General Manager's Report:
    - a) GMA 15 Update: Meeting on June 13. GMA will meet with potential consultants to hear proposals for developing the new DFC.
    - b) TAGD Meeting Update: Meeting May 29/30. Annual TAGD meeting to be in August if anyone is interested in attending.
    - c) Legislative Update: SB 1876 changing the District's election schedule has passed the Texas Senate and has been sent to the Governor's desk for signature.
    - d) Water Quality Testing in Cheapside Area: Wells within a ¼ mile radius were contacted for testing. Five samples were taken by LCRA staff and results are pending.
    - e) Water Quality Testing for DeWitt County: GM was asked to start developing a list of possible consultants to help set up the District's general water quality testing program.
  19. 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.
  20. 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.
  21. Next Scheduled Board Meeting Date: Next regular board meeting is scheduled for June 18, 2013, at 2:00 P.M.
  22. Adjourn: Meeting was adjourned at 2:40 p.m. with a motion by Tim Pennell, seconded by Clem Waskow, which carried unanimously.
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*W. H. Sauermilch*

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Sec/Wilbert Sauermilch

Recorded: Marcia Mann, Admin. Assistant