

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

JUNE 18, 2013 – 2:00 P.M.

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

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

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

Guests: Brittney Harryman (Petrohawk/BHP), and Robert Egg.

1. Call to Order: The meeting was called to order by the Chairman at 2:00 P.M.
2. Welcome Guests: Guests were welcomed.
3. Public Comment: None at this time.

PUBLIC HEARINGS OPENED AT 2:02 P.M.

4. 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 35.5 AF (acre feet) of water per year for a total of 50.5 AF (acre feet) of water per year. This property is located on Rathkamp Dreyer Road near Yoakum, 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 35.5 AF (acre feet) of water per year for a total of 50.5 AF (acre feet) of water per year was made by Clem Waskow, seconded Wilbert Sauermilch, and carried unanimously.
5. Public Hearing – Burlington Resources – Karen Coward
 - a. Public Hearing on the Operating Permit Amendment Application from Burlington Resources on Karen Coward'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 per year for a total of 55 AF (acre feet) of water per year. This property is located on Steen Road near Yoakum, Texas and involves 618 acres: No public comment or objection stated.
 - b. Discussion and consideration of operating permit amendment application from Burlington Resources on Karen Coward's property: A motion to approve the Operating Permit Amendment Application in the amount of 40 AF (acre feet) of water

per year for a total of 55 AF (acre feet) of water per year was made by Clem Waskow, seconded Wilbert Sauermilch, and carried unanimously.

6. Public Hearing – Burlington Resources – Paige Saunders

- a. Public Hearing on the Operating Permit Amendment Application from Burlington Resources on Paige Saunders' 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 per year for a total of 77 AF (acre feet) of water per year. This property is located on Frank Kozielski Road near Yorktown, Texas and involves 686 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit amendment application from Burlington Resources on Paige Saunders' property: A motion to approve the Operating Permit Amendment Application in the amount of 25 AF (acre feet) of water per year for a total of 77 AF (acre feet) of water per year was made by Wilbert Sauermilch, seconded Marvin Sager, and carried unanimously.

7. Public Hearing – Burlington Resources – Elaine Boston

- a. Public Hearing on the Operating Permit Application from Burlington Resources on Elaine Boston's property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 50 AF of water per year. This property is located on Cheapside Rd. near Westhoff, Texas and involves 204 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit application from Burlington Resources on Elaine Boston's property: A motion to approve the Operating Permit Application in the amount of 50 AF (acre feet) of water per year was made by Wilbert Sauermilch, seconded by Clem Waskow, and carried unanimously.

8. Public Hearing – Petrohawk Energy – Jerome Respondek

- a. Public Hearing on the Operating Permit Application from Petrohawk Energy on Jerome Respondek'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 Salt Creek Cemetery Road near Yorktown, Texas and involves 131 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit application from Petrohawk Energy on Jerome Respondek'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 Marvin Sager, and carried unanimously.

9. Public Hearing – Blake & Kathy Dunn

- a. Public Hearing on the Drilling and Operating Permit Applications from Blake and Kathy Dunn for a replacement well. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 2.5 AF (acre feet) of water per year. This property is located at 9827 US Hwy 183

South near Meyersville, Texas and involves 5 acres: No public comment or objection stated.

- b. Discussion and consideration of drilling and operating permit applications from Blake and Kathy Dunn: A motion to approve the Drilling Permit Application and to approve the Operating Permit Application in the amount of 2.5 AF (acre feet) of water per year was made by Clem Waskow, seconded by Wilbert Sauermilch, and carried unanimously.

10. Public Hearing – Ledwik Oilfield Services

- a. Public Hearing on the Operating Permit Application from Ledwik Oilfield Services. The proposed permit application is to be used for commercial use. The Operating Permit Application is requesting 2 AF of water per year. This property is located at 7432 E. FM 1447 near Cuero, Texas and involves 12 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit application from Ledwik Oilfield Services: It was noted that Applicant failed to sign his application form; therefore, Public Hearing on this item was recessed until the July meeting with a motion by Clem Waskow, seconded by Wilbert Sauermilch, which carried unanimously.

PUBLIC HEARINGS ON ITEMS 4 THRU 9 WERE CLOSED AT 2:35 P.M.

11. Minutes from 05/21/13 Meeting (provided prior to meeting): A motion to approve the minutes as presented was made by Clem Waskow, seconded by Marvin Sager, and carried unanimously.
12. Financial Report: A motion to approve the financial reports as presented was made by Wilbert Sauermilch, seconded by Clem Waskow, and carried unanimously.
13. Discussion and possible action regarding moving checking accounts to Cuero National Bank: Board approved moving the District's checking accounts to Cuero National Bank with a motion by Wilbert Sauermilch, seconded by Marvin Sager, which carried unanimously.
14. Discussion and possible action regarding water quality testing in the Cheapside area: GM reported on water quality testing done in the Cheapside area in response to a complaint about possible contamination of water. Two of the wells tested indicated a high concentration of benzene. Test results were supplied to land owners. Although no remedial action can be mandated by the District, GM was directed to continue monitoring the situation and to re-test those wells in 6 months with a motion by Wilbert Sauermilch, seconded by Clem Waskow, which carried unanimously.
15. Discussion and possible action regarding setting up Water Quality Testing Program for DeWitt County: A motion was made by Clem Waskow, seconded by Wilbert Sauermilch, for GM to prepare a RFP for consultants to help in setting up a District-wide water quality testing program.

16. Discussion and possible action regarding rules revision: Attorney Allison explained the procedure necessary for making changes to the District's Rules. GM will schedule a workshop to begin the process. Oil company representatives and water well drillers will be invited and asked for their input and ideas.
17. General Manager's Report:
- a) GMA 15 Update: Report of the meeting was given by GM.
 - b) Management Plan Update: District's Management Plan must be revised by February 2014. Management Plan and Rules Revisions will be done simultaneously.
 - c) Permit Renewal Update: GM reported on Permit renewals.
 - d) Legislative Update: Attorney Allison reported on new State legislation from the current session.
18. 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.
19. 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.
20. Next Scheduled Board Meeting Date: Next regular board meeting is scheduled for July 16, 2013, at 2:00 P.M.
21. Adjourn: Meeting was adjourned at 3:35 p.m. with a motion by Clem Waskow, seconded by Marvin Sager, which carried unanimously.



Sec/Wilbert Sauermilch

Recorded: Marcia Mann, Admin. Assistant