

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

JULY 16, 2013 – 1:00 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).

Also in attendance: Charlotte Krause, GM, and Jim Allison, Board Attorney.

Guests: Brittney Harryman (Petrohawk/BHP); Will Bledsoe (Pioneer); Mike Gohmert, and Darwin Heider.

1. Call to Order: The meeting was called to order by the Chairman at 1:45 P.M.
2. Welcome Guests: Guests were welcomed.
3. Public Comment: None at this time.

PUBLIC HEARINGS OPENED AT 1:44 P.M.

4. Public Hearing – Pioneer Natural Resources – Mary Ressman
 - a. Public Hearing on the Operating Permit Amendment Application from Pioneer Natural Resources on Mary Ressman'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 the permitted water from 60 AF (acre feet) of water per year to 30 AF (acre feet) of water per year. This application is also asking to aggregate this production permit and another production permit for a total of 60 AF (acre feet) of water per year from two water wells. This property is located on Nathan Mueller Road near Yorktown, Texas and involves 125.45 acres: No public comment or objection stated.
 - b. Discussion and consideration of operating permit amendment application from Pioneer Natural Resources on Mary Ressman's property: A motion to approve the Operating Permit Amendment Application and to aggregate this permit with another permit for a total of 60 AF (acre feet) of water per year from two water wells was made by Wilbert Sauermilch, seconded Marvin Sager, and carried unanimously.
5. Public Hearing – Pioneer Natural Resources – Mary Ressman
 - a. Public Hearing on the Operating Permit Application from Pioneer Natural Resources on Mary Ressman'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 application is also asking to aggregate this production permit and operating permit #0029 for a total of 60 AF (acre feet) of water per year from two water wells. This property is located on Nathan Mueller Road near Yorktown, Texas and involves 125.45 acres: No public comment or objection stated.

- b. Discussion and consideration of operating permit application from Pioneer Natural Resources on Mary Ressler's property: A motion to approve the Operating Permit Application in the amount of 30 AF (acre feet) of water per year and to aggregate this permit with operating permit #0029 for a total of 60 AF (acre feet) of water per year from two water wells was made by Wilbert Sauermilch, seconded Clem Waskow, and carried unanimously.

6. Public Hearing – Pioneer Natural Resources – Doris Warling

- a. Public Hearing on the Operating Permit Amendment Application from Pioneer Natural Resources on Doris Warling's property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 18.1 AF (acre feet) of water per year. This application is also asking to aggregate this operating permit and another operating permit for a total of 36.1 AF (acre feet) of water per year from two water wells. This property is located on FM 119N near Yorktown, Texas and involves 72.2 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit amendment application from Pioneer Natural Resources on Doris Warling's property: A motion to approve the Operating Permit Amendment Application in the amount of 18.1 AF (acre feet) of water per year and to aggregate this operating permit with another operating permit for a total of 36.1 AF (acre feet) of water per year from two water wells was made by Wilbert Sauermilch, seconded Tim Pennell, and carried unanimously.

7. Public Hearing – Pioneer Natural Resources – Doris Warling

- a. Public Hearing on the Operating Permit Application from Pioneer Natural Resources on Doris Warling's property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 18 AF (acre feet) of water per year. This application is also asking to aggregate this operating permit and operating permit #0128 for a total of 36.1 AF (acre feet) of water per year from two water wells. This property is located on FM 119N near Yorktown, Texas and involves 72.2 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit application from Pioneer Natural Resources on Doris Warling's property: A motion to approve the Operating Permit Application in the amount of 18 AF (acre feet) of water per year and to aggregate this operating permit with operating permit #0128 for a total of 36.1 AF (acre feet) of water per year from two water wells was made by Wilbert Sauermilch, seconded Clem Waskow, and carried unanimously.

8. Public Hearing – Pioneer Natural Resources – Carl Matejek

- a. Public Hearing on the Operating Permit Amendment Application from Pioneer Natural Resources on Carl Matejek'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 the permitted water from 38.35 AF (acre feet) of water per year to 19.35 AF (acre feet) of water per year. This application is also asking to aggregate this operating permit and another operating permit for a total of 38.35 AF (acre feet) of water per year from two water wells. This

property is located on Harvey Haun Road near Yorktown, Texas and involves 76.7 acres: No public comment or objection stated.

- b. Discussion and consideration of operating permit amendment application from Pioneer Natural Resources on Carl Matejek's property: A motion to approve the Operating Permit Amendment Application decreasing the amount from 38.35 AF (acre feet) of water per year to 19.35 AF (acre feet) of water per year and to aggregate this operating permit with another operating permit for a total of 38.35 AF (acre feet) of water per year from two water wells was made by Wilbert Sauermilch, seconded Tim Pennell, and carried unanimously.

9. Public Hearing – Pioneer Natural Resources – Carl Matejek

- a. Public Hearing on the Operating Permit Application from Pioneer Natural Resources on Carl Matejek's property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 19 AF (acre feet) of water per year. This application is also asking to aggregate this operating permit and operating permit #0198 for a total of 38.35 AF (acre feet) of water per year from two water wells. This property is located on Harvey Haun Road near Yorktown, Texas and involves 76.7 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit application from Pioneer Natural Resources on Carl Matejek's property: A motion to approve the Operating Permit Application in the amount of 19 AF (acre feet) of water per year and to aggregate this operating permit with operating permit #0198 for a total of 38.35 AF (acre feet) of water per year from two water wells was made by Marvin Sager, seconded Wilbert Sauermilch, and carried unanimously.

10. Public Hearing – Pioneer Natural Resources – Keith Taylor

- a. Public Hearing on the Operating Permit Application from Pioneer Natural Resources on Keith Taylor'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 application is also asking to aggregate this operating permit and operating permit #0124 for a total of 40 AF (acre feet) of water per year from two water wells. This property is located on FM 952 near Yorktown, Texas and involves 242.9 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit application from Pioneer Natural Resources on Keith Taylor's property: A motion to approve the Operating Permit Application in the amount of 20 AF (acre feet) of water per year and to aggregate this operating permit with operating permit #0124 for a total of 40 AF (acre feet) of water per year from two water wells was made by Wilbert Sauermilch, seconded by Tim Pennell, and carried unanimously.

11. Public Hearing – Pioneer Natural Resources – Edward & Donna Roeder

- a. Public Hearing on the Operating Permit Application from Pioneer Natural Resources on Edward & Donna Roeder'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 application is also asking to aggregate this operating permit and operating permit #0129 for a total of 40 AF (acre feet) of water per year from two water wells. This property is located on Roeder Road near Yorktown, Texas and involves 881.37 acres: No public comment or objection stated.

- b. Discussion and consideration of operating permit application from Pioneer Natural Resources on Edward & Donna Roeder's property: A motion to approve the Operating Permit Application in the amount of 20 AF (acre feet) of water per year and to aggregate this operating permit with operating permit #0129 for a total of 40 AF (acre feet) of water per year from two water wells was made by Tim Pennell, seconded Wilbert Sauermilch, and carried unanimously.

12. Public Hearing – Pioneer Natural Resources – Hope Schorlemer

- a. Public Hearing on the Operating Permit Application from Pioneer Natural Resources on Hope Schorlemer'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 application is also asking to aggregate this operating permit and operating permit #0125 for a total of 60 AF (acre feet) of water per year from two water wells. This property is located on FM 119N near Yorktown, Texas and involves 188 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit application from Pioneer Natural Resources on Hope Schorlemer's property: A motion to approve the Operating Permit Application in the amount of 20 AF (acre feet) of water per year and to aggregate this operating permit with operating permit #0125 for a total of 60 AF (acre feet) of water per year from two water wells was made by Wilbert Sauermilch, seconded Tim Pennell, and carried unanimously.

13. Public Hearing – Pioneer Natural Resources – Douglas Heider

- a. Public Hearing on the Operating Permit Application from Pioneer Natural Resources on Douglas Heider's property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 9 AF (acre feet) of water per year. This application is also asking to aggregate this operating permit and operating permit #0227 for a total of 29 AF (acre feet) of water per year from two water wells. This property is located on Heider Road near Cuero, Texas and involves 58 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit application from Pioneer Natural Resources on Douglas Heider's property: A motion to approve the Operating Permit Application in the amount of 9 AF (acre feet) of water per year and to aggregate this operating permit with operating permit #0227 for a total of 29 AF (acre feet) of water per year from two water wells was made by Marvin Sager, seconded Clem Waskow, and carried unanimously.

14. Public Hearing – Pioneer Natural Resources – Verna Lee Gohmert

- a. Public Hearing on the Operating Permit Application from Pioneer Natural Resources on Verna Lee Gohmert'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 application is also asking to aggregate this operating permit and operating permit #0090 for a total of 40 AF (acre feet) of water per year from two water wells. This property is located on FM 953 near Cuero, Texas and involves 102.12 acres: After asking several questions for clarification, Mr. Mike Gohmert stated his support for approval of this permit application. No other comment or objections stated.
- b. Discussion and consideration of operating permit application from Pioneer Natural Resources on Verna Lee Gohmert's property: A motion to approve the Operating Permit Application in the amount of 20 AF (acre feet) of water per year and to aggregate this operating permit with operating permit #0090 for a total of 40 AF (acre feet) of water per year from two water wells was made by Clem Waskow, seconded Wilbert Sauermilch, and carried unanimously.

15. 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 30 AF (acre feet) of water per year for a total of 102.89 AF (acre feet) of water per year from four water wells. This property is located on Noe Hinojosa Road near Nordheim, Texas and involves 575 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit application from Petrohawk Energy on Karen Brandt's property: A motion to approve the Operating Permit Application in the amount of 30 AF (acre feet) of water per year for a total of 102.89 AF (acre feet) of water per year from four water wells was made by Tim Pennell, seconded Wilbert Sauermilch, and carried unanimously.

16. Public Hearing – Petrohawk Energy – Charles & Joyce Striedel

- a. Public Hearing on the Operating Permit Application from Petrohawk Energy on Charles & Joyce Striedel'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. This property is located on FM 766 near Cuero, Texas and involves 254 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit application from Petrohawk Energy on Charles & Joyce Striedel'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 Marvin Sager, seconded Tim Pennell, and carried unanimously.

17. Public Hearing – Petrohawk Energy – Onufry Broll

- a. Public Hearing on the Operating Permit Application from Petrohawk Energy on Onufry Broll'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 Matejek Road near Westhoff, Texas and involves 130 acres: No public comment or objection stated.

- b. Discussion and consideration of operating permit application from Petrohawk Energy on Onufry Broll's property: A motion to approve the Operating Permit Application in the amount of 30 AF (acre feet) of water per year made by Clem Waskow, seconded Wilbert Sauermilch, and carried unanimously.

18. Public Hearing – Petrohawk Energy – Rueben & Patricia Thamm

- a. Public Hearing on the Operating Permit Application from Petrohawk Energy on Rueben & Patricia Thamm'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 FM 240 near Westhoff, Texas and involves 178 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit application from Petrohawk Energy on Rueben & Patricia Thamm'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 Marvin Sager, and carried unanimously.

19. Public Hearing – Petrohawk Energy – Walter Fisher

- a. Public Hearing on the Operating Permit Application from Petrohawk Energy on Walter Fisher'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 for a total of 80 AF (acre feet) of water per year from two water wells. This property is located on Dubose Road near Westhoff, Texas and involves 392 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit application from Petrohawk Energy on Walter Fisher's property: A motion to approve the Operating Permit Application in the amount of 30 AF (acre feet) of water per year for a total of 80 AF (acre feet) of water per year from two water wells was made by Marvin Sager, seconded Tim Pennell, and carried unanimously.

20. Public Hearing – Petrohawk Energy – Sandra Hahn

- a. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Sandra 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 20 AF (acre feet) of water per year for a total of 40 AF (acre feet) of water per year. This application is also asking to aggregate this operating permit and operating permit #0360 for a total of 80 AF (acre feet) of water per year from two water wells. This property is located on Dubose Road near Westhoff, Texas and involves 316 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit amendment application from Petrohawk Energy on Sandra Hahn's property: A motion to approve the Operating Permit Amendment 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 and to aggregate this operating permit with operating permit #0360 for a total of 80 AF (acre feet) of water per year from two water wells was made by Wilbert Sauermilch, seconded Tim Pennell, and carried unanimously.

21. Public Hearing – Petrohawk Energy – Sandra Hahn

- a. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Sandra 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 20 AF (acre feet) of water per year for a total of 40 AF (acre feet) of water per year. This application is also asking to aggregate this operating permit and operating permit #0190 for a total of 80 AF (acre feet) of water per year from two water wells. This property is located on Dubose Road near Westhoff, Texas and involves 316 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit amendment application from Petrohawk Energy on Sandra Hahn's property: A motion to approve the Operating Permit Amendment 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 and to aggregate this operating permit with operating permit #0190 for a total of 80 AF (acre feet) of water per year from two water wells was made by Wilbert Sauermilch, seconded Clem Waskow, and carried unanimously.

22. Public Hearing – Sabine South Texas – Erwin Landgrebe

- a. Public Hearing on the Operating Permit Application from Sabine South Texas on Erwin Landgrebe's property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 70 AF (acre feet) of water per year. This property is located on Cabeza Road near Nordheim Texas and involves 163 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit application from Sabine South Texas on Erwin Landgrebe's property: A motion to approve the Operating Permit Application in the amount of 70 AF (acre feet) of water per year was made by Wilbert Sauermilch, seconded Clem Waskow, and carried unanimously.

23. Public Hearing – Sabine South Texas – Jeannie Heard

- a. Public Hearing on the Operating Permit Application from Sabine South Texas on Jeannie Heard's property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 68 AF (acre feet) of water per year. This property is located on Alfred Blaschke Road near Nordheim Texas and involves 145 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit application from Sabine South Texas on Jeannie Heard's property: A motion to approve the Operating Permit Application in the amount of 68 AF (acre feet) of water per year was made by Wilbert Sauermilch, seconded Clem Waskow, and carried unanimously.

24. Public Hearing – Geosouthern Energy – Victor Kahlich

- a. Public Hearing on the Operating Permit Amendment Application from Geosouthern Energy on Victor Kahlich's property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 11 AF (acre feet) of water per year for a total of 51 AF (acre feet) of water per year. This property is located on Cheapside Road near Westhoff Texas and involves 106 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit amendment application from Geosouthern Energy on Victor Kahlich's property: A motion to approve the Operating Permit Amendment Application in the amount of 11 AF (acre feet) of water per year for a total of 51 AF (acre feet) of water per year was made by Tim Pennell, seconded Clem Waskow, and carried unanimously.

25. Public Hearing – Geosouthern Energy – George Bishop

- a. Public Hearing on the Operating Permit Application from Geosouthern Energy on George Bishop'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 Cheapside Road near Westhoff Texas and involves 1,575 acres: No public comment or objection stated.
- b. Discussion and consideration of operating permit application from Geosouthern Energy on George Bishop'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 Marvin Sager, seconded Wilbert Sauermilch, and carried unanimously.

26. Public Hearing – Big Diamond, LLC

- a. Public Hearing on the Drilling and Operating Permit Applications from Big Diamond LLC. The proposed permit application is to be commercial use for a convenience store. The Operating Permit Application is requesting 3 AF (acre feet) of water per year. This property is located at the intersection of State Highway 72 & US Hwy 183 near Cuero, Texas and involves 3 acres: It was noted that the actual acreage owned is 6 acres, rather than 3 acres.
- b. Discussion and consideration of drilling and operating permit applications from Big Diamond LLC: Because of the error in the Legal Notice publication of the total acreage owned, a motion to postpone action on these Applications until it can be re-published correctly was made by Marvin Sager, seconded by Clem Waskow, and carried unanimously.

27. Public Hearing – 4Shale, LLC

- a. Public Hearing on the Drilling and Operating Permit Applications from 4Shale, LLC. The proposed permit application is to be for commercial use for office space. The Operating Permit Application is requesting 2.5 AF (acre feet) of water per year. This property is located on State Highway 72 W near Yorktown, Texas and involves 5 acres: No public comment or objection stated.

- b. Discussion and consideration of drilling and operating permit applications from 4Shale, LLC: 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 Tim Pennell, seconded by Marvin Sager, and carried unanimously.

28. Public Hearing – Ledwik Oilfield Services

- a. Public Hearing on the Operating Permit Application from Ledwik Oilfield Services. The proposed permit application is for commercial use. The Operating Permit Application is requesting 2 AF (acre feet) 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: A motion to approve operating permit application in the amount of 2 AF (acre feet) of water per year was made by Tim Pennell, seconded by Clem Waskow, and carried unanimously.

PUBLIC HEARINGS CLOSED AT 2:20 P.M.

- 29. 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.
- 30. 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.
- 31. Next Scheduled Board Meeting Date: Next regular board meeting is scheduled for August 20, 2013.
- 32. Adjourn: Meeting was adjourned at 2:23 p.m. with a motion by Tim Pennell, seconded by Clem Waskow, which carried unanimously.



Sec/Wilbert Sauermilch

Recorded: Marcia Mann, Admin. Assistant