

PECAN VALLEY GROUNDWATER CONSERVATION DISTRICT
107 N. GONZALES CUERO, TX 77954
PUBLIC HEARING AND BOARD MEETING
MINUTES
MAY 19, 2015 – 9:00 A.M.

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

Also in attendance: Charlotte Krause, GM, Carole Moore, Admin. Assistant

Guests: None

1. Call to order: The meeting was called to order by the Chairman at 9:00 A.M.
2. Welcome guests: None present
3. Public comment: None

PUBLIC HEARINGS OPENED AT 9:01 A.M.

4. Public Hearing – BHP Billiton – John Clark Ranch
 - a. Public Hearing on the Operating Permit Amendment Application from BHP Billiton on John Clark Ranch's property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting a decrease of 45 AF of water per year for a total of 45 AF from this water well for a combined total of 85 AF from two water wells. This property is located on Cheapside Road near Westhoff, Texas and involves 298 acres. No public comment or objection stated.
 - b. Discussion and consideration of operating permit amendment application from BHP Billiton on John Clark Ranch's property: A motion was made to approve the Operating Permit Amendment Application from BHP Billiton on John Clark Ranch's property requesting a decrease of 45 AF of water per year for a total of 45 AF from this water well for a combined total of 85 AF from two water wells by Tim Pennell, seconded by Marvin Sager, which carried unanimously.
5. Public Hearing – BHP Billiton – John Clark Ranch
 - a. Public Hearing on the Operating Permit Application from BHP Billiton on John Clark Ranch's property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 45 AF of water per year for a total of 130 AF from three water wells. This property is located on Cheapside Road near Westhoff, Texas and involves 298 acres. No public comment or objection stated.
 - b. Discussion and consideration of operating permit application from BHP Billiton on John Clark Ranch's property: A motion was made to approve the Operating Permit Application from BHP Billiton on John Clark Ranch's property in the amount of 45 AF

of water per year for a total of 130 AF from three water wells by Clem Waskow, seconded by Tim Pennell, which carried unanimously.

6. Public Hearing – BHP Billiton – Linda Dermody

- a. Public Hearing on the Operating Permit Application from BHP Billiton on Linda Dermody'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 Frank Kozielski Road near Yorktown, Texas and involves 199 acres. No public comment or objection stated.
- b. Discussion and consideration of Operating Permit Application from BHP Billiton on Linda Dermody's property: A motion was made to approve the Operating Permit Application from BHP Billiton on Linda Dermody's property in the amount of 50 AF of water per year by Marvin Sager seconded by Wilbert Sauermilch, which carried unanimously.

7. Public Hearing – BHP Billiton – Leon & Vivian Respondek

- a. Public Hearing on the Operating Permit Application from BHP Billiton on Leon & Vivian Respondek'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 Barfield Road near Yorktown, Texas and involves 42 acres. No public comment or objection stated.
- b. Discussion and consideration of Operating Permit Application from BHP Billiton on Leon & Vivian Respondek's property: A motion was made to approve the Operating Permit Application from BHP Billiton on Leon & Vivian Respondek's property in the amount of 20 AF of water per year by Wilbert Sauermilch seconded by Marvin Sager, which carried unanimously.

8. Public Hearing – Pioneer Natural Resources – Harlan Metting

- a. Public Hearing on the Drilling and Operating Permit Application from Pioneer Natural Resources on Harlan Metting's property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 162 AF of water per year for a total of 202 AF from two water wells. This property is located on Maron Road near Yorktown, Texas and involves 242 acres. This water well will be drilled deeper under the new rules allowing for additional production amounts per acre. No public comment or objection stated.
- b. Discussion and consideration of Operating Permit Application from Pioneer Natural Resources on Harlan Metting's property: A motion was made to approve the Operating Permit Application from Pioneer Natural Resources on Harlan Metting's property in the amount of 162 AF of water per year for a total of 202 AF from two water wells by Tim Pennell, seconded by Marvin Sager, which carried unanimously.

9. Public Hearing – Pioneer Natural Resources – Straube Family Investments

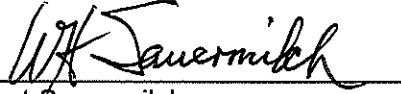
- a. Public Hearing on the Drilling and Operating Permit Application from Pioneer Natural Resources on Straube Family Investment's property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 225 AF of water per year. This property is located on Gohlke School Road near Yorktown, Texas and involves 225 acres. This water well

will be drilled deeper under the new rules allowing for additional production amounts per acre. No public comment or objection stated.

- b. Discussion and consideration of Operating Permit Application from Pioneer Natural Resources on Straube Family Investment's property: A motion was made to approve the Operating Permit Application from Pioneer Natural Resources on Straube Family Investment's property in the amount of 225 AF of water per year by Wilbert Sauermilch, seconded by Clem Waskow, which carried unanimously.

PUBLIC HEARINGS CLOSED AT 9:06 A.M.

10. Minutes from 4-21-15 and 4-29-15 Meetings (provided prior to meeting): A motion to approve the minutes as presented was made by Marvin Sager, seconded by Wilbert Sauermilch, which carried unanimously.
11. Financial Report – April (provided prior to meeting): A motion to approve the Financial Reports for April as presented was made by Wilbert Sauermilch, seconded by Marvin Sager, which carried unanimously.
12. Discussion and take possible action to authorize the District's purchase of real property located at 1009 N. Esplanade, Cuero, TX 77954, which is being sold under a receivership pending in 135 District Court of DeWitt County in Cause No. 06-09-20426; to approve purchase consistent with the terms of an earnest money contract authorized by the 135th District Court; to authorize a District Director or the District's General Manager to execute all documents or instruments necessary for said transaction; and any further action needed: The Board recommended General Manager move forward in the demolition and clean-up of property as soon as closing has been finalized. A motion was made for the General Manager to approve and authorize the handling of all transactions regarding the purchase at 1009 North Esplanade by Tim Pennell, seconded by Clem Waskow, which carried unanimously.
13. Discussion and take possible action regarding the groundwater contamination sites recently reported to PVGCD by TCEQ (Texas Commission on Environmental Quality): The Board recommended for our attorney to send a letter to the Railroad Commission, TCEQ, and BHP Billiton to request their protocol for this situation. Board also recommended the attorney send a letter to the surrounding land owners of the contamination sites regarding the notification to PVGCD from TCEQ.
14. 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.
15. 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.
16. Next Scheduled Board Meeting: June 16, 2015 at 9:00 A.M.
17. Adjourn: The meeting adjourned at 10:05 A.M. with a motion by Clem Waskow, seconded by Tim Pennell, which carried unanimously.

A handwritten signature in black ink, appearing to read "W. Sauermilch", written over a horizontal line.

Sec/Wilbert Sauermilch

Recorded: Carole Moore, Admin. Assistant