

**MINUTES OF A REGULAR MEETING OF THE
PINEYWOODS GROUNDWATER CONSERVATION DISTRICT
HELD ON THE 17th DAY OF DECEMBER, 2015**

On the 17th day of December, 2015 at 1:30 p.m. at Kurth Lodge in Angelina County, Texas, the Board of Directors of the Pineywoods Groundwater Conservation District convened in a regular meeting at which time the following items were discussed and action possibly taken with the following members thereof, to wit:

Keith Wright	President
David Alders	Vice-President
Jimmy Mize	Treasurer
Keith Weathers	Member
Gloria Montes	Secretary

being present, and

Kelley Holcomb	Member
Ty Thornton	Member

being absent, and

Jackie Risner	General Manager
Cheryl Benke	Administrative Assistant

also present.

1. Call to Order:

With a quorum of board members present, the meeting was called to order at 1:40 p.m. by Vice-President David Alders, and the invocation was given by David Alders. President Keith Wright arrived at 1:45 and presided over the meeting.

2. Approval of the minutes of the meeting of October 7, 2015:

The Minutes were reviewed by Board members. A motion was made by Keith Weathers to approve the minutes, and the motion was seconded by Jimmy Mize.

The motion passed unanimously.

3. General Manager's financial report.

Current balance through November was \$40,412.64. A report from October 1st through November was presented along with a ledger printout, copies of bills, budget report, and A/R report.

4. General Manager's District report

1. Pending Completion: We have 13 exempt wells in progress, 3 non-exempt wells in progress, 2 new O&G rig supply wells, and 0 new frac wells registered. We have received 11 new exempt wells and 3 new non-exempt wells, 2 new O&G rig supply and 0 frac wells since the last report.

2. Completed Wells:

- Total Exempt wells in database: 911 (437 in Nac. Co., 474 in Ang Co.)
- Total Non-Exempt Ag wells in database: 280 (206 in Nac. Co., 74 Ang. Co.)
- Total Oil & Gas rig supply wells in database: 696 (641 in Nac. Co., 55 in Ang. Co.)
- Total Oil & Gas frac wells in database: 28 (all in Nac. Co.)
- Total Production fee based wells in database: 199 (102- Nac. Co., 97- Ang. Co.)
- Total District wells recorded in database: 2448 (this includes 334 plugged wells)

3. Activities:

No variances granted this month

- Preparing annual reports (GM annual report, Static Levels Report)
- Rig supply plugging continuing, expecting large number (145) from Samson soon
- Staff prepared information for Budget Committee which met 11/12/15
- Attended GMA-11 meeting 11/4/15
- Prepare for Board Member appointments
- News release prepared and submitted
- Newsletter prepared and submitted
- New well inspections conducted:

Nacogdoches County

Exempt

Brent Stephens
Robert Acklin
Anthony Castilaw
Kenneth Weaver
Elizabeth Fenei

Angelina County

Exempt

Aaron Smith
Barbara Boykin
Gary Adams
Charlotte Husband
Reece Hubbard
Joe McClesky

Non-Exempt

Bradley Cobb (2)
Joey Michelle

Rig Supply

ELC Energy
Exco Energy

5. Unfinished Business

None.

6. New Business

a. Conduct an annual review of the District's Investment Policy.

David Alders made a motion that was seconded by Jimmy Mize to approve the Investment Policy without any changes. The motion passed unanimously.

b. Discuss and possibly revise the District's fee structure. (This item was moved on the agenda in order to discuss prior to the budget discussion.)

Board members reviewed the District's annual income for the last 10 years and discussed increasing permit and registration fees effective 02/01/16. No action was taken, but as a result of this discussion, the Board will hold a regular business meeting in January to discuss possible increases to permit and registration fees. Possible production fee increases will need to be discussed at a public hearing which may be held in April of 2016.

c. Discuss and possibly adopt the 2016 PGCD Budget.

Jimmy Mize presented the Budget Committee's recommendation for the 2016 budget. After a brief discussion, Jimmy Mize moved to approve the Budget Committee's recommendations without fee increases except for adjustments in permit and registration fees. Keith Weathers seconded the motion and the motion passed unanimously.

5. Announcement of the date and location of the next meeting of the District Board of Directors:

Keith Wright announced the next meeting will be held on January 7, 2016, at 1:30 at Kurth Lodge, Angelina County, Texas.

8. Adjourn:

The meeting was adjourned by President Wright at 2:29 p.m.

Keith Wright, President

Gloria Montes, Secretary