

**MINUTES OF A REGULAR MEETING OF THE PINEYWOODS
GROUNDWATER CONSERVATION DISTRICT
HELD ON THE 18th DAY OF NOVEMBER, 2010**

On the 18th day of November 2010 at 2:00 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:

Gloria Montes	Secretary
Keith Weathers	Treasurer/Finance Officer
Jimmy Mize	Member
Kelley Holcomb	Member

being present, and

Keith Wright	President
David Alders	Vice-President
Pat Miller	Member

being absent, and

David Alford	General Manager
Lynn Thomas	Administrative Assistant

also present.

1. Call to Order:

With a quorum of board members present, the meeting was called to order at 2:30 p.m. by Secretary Gloria Montes and the invocation was given by board member Jimmy Mize.

2. Approval of the minutes of the meeting of October 14, 2010:

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

The motion passed unanimously.

3. Receive a report from the General Manager concerning the financial position of the District:

Current balance through November 15, 2010 is \$33,251.97. A quarterly report to date 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 9 exempt wells in progress, 3 non-exempt well in progress, 6 new O&G rig supply wells, and 12 new oil & gas frac wells registered. I have inspected 1 new exempt well and 1 new non-exempt well since the last meeting.

Completed Wells:

- **Total Exempt wells in database: 516[243- Nacogdoches Co., 273- Angelina Co.]**
 - **Total Non-Exempt Ag wells in database: 184 [137- Nacogdoches Co., 47 Angelina Co.]**
 - **Total Oil & Gas supply wells in database: 761[709- Nacogdoches Co. (49 Frac wells), 52- Angelina Co.]**
 - **Total Production fee based wells in database: 177**
 - **Total District wells recorded in databases: 1771** [this includes 133 plugged wells]
2. BBASC meeting (Kelley).
 3. Pleasure Point WSC in receivership with the State. They have not reported and have lost their operator.
 4. Oil & Gas wells reporting and record keeping.
 5. We have a number of LTW wells that were not reported and a number of plugging reports that were not reported.

5. Unfinished Business

No unfinished business.

6. New Business

a. Rule changes for Rule 4.

The General Manager requested that Rule 4 be added to the previously approved rules up for adoption in January 2011. A motion was made by Keith Weathers and seconded by Jimmy Mize to bring rule change 4 to a Public Hearing at that time.

RULE 4 – FEES AND REPORTS

In accordance with HB 2572 and Section 36.205 of the Texas Water Code, the Board adopts a production fee of \$0.02 per 1000 gallons for all nonexempt wells except wells used for Domestic use or providing water to livestock or poultry which are not capable of producing more than 100,000 gallons per day. The fee is payable on water produced on or after April 1, 2002.

Operators of nonexempt wells shall provide payment to the District each quarter. Payment shall be due within thirty (30) days of the last day of March, June, September, and December with their quarterly reports. Operators shall provide monthly or quarterly production records to document payment amount. The payment shall be accompanied by the report form specified by the Board or made when an invoice is received from the District.

The motion passed unanimously.

b. Review LTW driller's reports.

The General Manager reviewed LTW Services, Inc., non-reporting violations. The Board discussed the violations and recommended the General Manager invite a representative from LTW and the drillers to the next board meeting at which time penalties would be discussed and implemented.

No action was taken.

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

Secretary Gloria Montes announced the next regular scheduled meeting will be held, Thursday, December 9, 2010 at 2:00 p.m. at Nacogdoches City Council Chambers, Nacogdoches, Texas.

8. Adjourn:

The meeting was adjourned by Secretary Gloria Montes at 3:35 pm with a motion made by Kelley Holcomb which was seconded by Keith Weathers.

The motion passed unanimously.

Keith Wright, President

Gloria Montes, Secretary