

GARFIELD COUNTY ENERGY ADVISORY BOARD (EAB) MEETING

Thursday, October 1st, 2009

Minutes (FINAL)

Location: Garfield County Health & Human Services Building in Rifle, Colorado

CALL TO ORDER/INTRODUCTIONS

Ms. Betsy Suerth called the meeting to order at 6:02pm. EAB members introduced themselves. EAB members in attendance:

Suerth, Betsy
Black, Jon
Riddile, Art
Rothman, Artie
Mumma, Don
Robinson, Leslie
Meskin, Michael
Brynildson, Scott
Simonson, Jeff
DeBerry, Michael
Long, Sher
Kohn, Judi
Padilla, Daniel

EAB Chair – Town of Silt
EAB Vice Chair – Antero Resources
Town of New Castle
Town of Carbondale
Battlement Mesa Oil & Gas Committee
Grand Valley Citizens Alliance (GVCA)
Grass Mesa Homeowners Association
Mamm Creek/Hunter Mesa
Divide Creek/Dry Hollow
Chevron
Encana
Noble Energy
OXY

MINUTES FROM PREVIOUS MEETING

Betsy Suerth entertained a motion to approve minutes from the last meeting. Sher Long moved to accept the minutes as presented and Daniel Padilla seconded. The board then voted unanimously to approve.

PUBLIC COMMENT

- Maria Pastore and Judith Thomas with USGS reported that the “Common Data Repository and Water Resource Assessment for the Southern Piceance Basin”, which is an open and collaborative data-sharing water resource assessment that includes data from local citizens, industry, government agencies and other stakeholders is now a public, web accessible common data repository that provides all entities equal access to the latest information. The web address is <http://rmgsc.cr.usgs.gov/cwqdr/Piceance/index.shtml> and they would like feedback on the functionality of the website. Email feedback to Judith Thomas at juthomas@usgs.gov or Maria Pastore at mapstore@grandriver.us

UNFINISHED BUSINESS

- Jeff Simonson reported that the sub-committee formed to visit Marion Wells’ property attempted the visit twice but neither time worked out. On the first attempt, Marion was available to have the group come to her property but not all of the sub-committee was available. On the second attempt, the sub-committee was available but Marion was not.
- Wendy Swan reported that the citizen representative mailing went out on 9/23 to every resident in Silt, Rifle and Parachute. As of 10/1 Wendy had received 5 letters of interest. The deadline for submission was posted as October 15th and hoping to receive more letters. The next step is to have an EAB volunteer group to help conduct interviews and ideally would like the interview group to consist of one person from a municipality, an organization, the industry and a citizen representative. Betsy Suerth asked the board for volunteers to help conduct interviews and the following members volunteered: Leslie Robinson with the GVCA (organization), Betsy Suerth with the Town of Silt (municipality), Daniel Padilla with OXY (industry) and Scott Brynildson (citizen representative).

NEW BUSINESS

- Williams has purchased some Orion Energy assets in Garfield County and will summarize under the Williams update.
- There was a brainstorming discussion on Steve Anthony's suggestion at the 8/6/09 EAB meeting about a pilot project to use composite soils to help control weeds in the lower valley areas. Michael DeBerry said that whether or not soil amendment is a viable approach on promoting successful rehabilitation efforts is worthy of study but there are differences of opinion on its viability and in many locations the BLM strongly advises against it. It is something that has its place and time and perhaps something to discuss at the upcoming conference on BMPs. Jeff Simonson said that the City of Rifle is working with Jim Duke of CacaLoco to develop a site to make compost from sludge that is generated from the new wastewater treatment plant and from organic solid wastes that would be supplied from the community. The compost could be used to help on reclamation of pads for the oil and gas industry. Using the compost may make reclamation more successful. Scott Brynildson said that any time you disturb soil the first crop to come up is weeds and the companies need to stay on top of the reclamation by cutting the weeds and getting seeds to the ground as quick as possible. He thinks that compost can help but the most important thing is to control the weeds and get new seed into the ground.
- Betsy Suerth has a call in to Ed Green, the Garfield County Manager, to see what date he thinks works best for the EAB to update the BOCC with a report on the public comment spreadsheet, the educational presentations, filling vacant seats and the viability of the EAB. The fact that many members are still showing up to the meetings even with drilling being slower right now, shows the importance to keep the chain of communication going.

EDUCATIONAL PRESENTATION

Dr. Jeremy Boak, the Director of the Colorado School of Mines Center for Oil Shale Technology & Research, gave a presentation on the current status of Oil Shale Development.

- Please visit the EAB website at <http://www.garfield-county.com/Index.aspx?page=768> and click in the table for the 10/1/09 EAB meeting to view the power point presentation named "Oil Shale Status".

EAB MEMBER UPDATES

Town of New Castle – Art Riddile asked Jon Black with Antero for an update on the injection well testing up Elk Creek. Jon said Antero just received the permit from the COGCC last week and there is nothing on the drawing board for testing, execution or initial phases at this time, but when he is advised of any he will give an update to the EAB.

Town of Carbondale – Artie Rothman said that Carbondale requested a seat on the EAB due to leases developed west of the Carbondale area. The Thompson Divide Coalition asked him to sit on the board for them. They are interested in speaking to the lease holders and would like to speak with any companies that have an interest leasing in the area. Artie asked the board to please contact him with any information.

Battlement Mesa Oil & Gas Committee – Don Mumma reported that Antero is the only company with activity nearby. They have sat through 5 of the 8 scheduled consultation meetings with Antero and he feels the meetings have been positive so far. There are 3 meetings left that will continue over the next month and a half. The meetings are open to the public and he said to please contact him for any information on the future dates and times of the remaining meetings.

Grand Valley Citizens Alliance – Leslie Robinson reported that the movie "Split Estate" is set to be shown at the October 12th Garfield County BOCC meeting in Glenwood Springs at 1:15pm. It will be the first showing of the movie in Colorado. The film is a documentary about the health effects on citizens of Garfield County due to nearby gas drilling operations.

Grass Mesa Homeowners Association – Michael Meskin reported that Grass Mesa has a new road that is paralleling the original road that was fabricated by EnCana. He said EnCana constructed the road in less than 2 weeks and he is very concerned with the safety of travelling the road in the winter and hopes nobody gets hurt. The road is meant for EnCana affiliated traffic only.

Mamm Creek/Hunter Mesa – Scott Brynildson reported that there was a truck wreck on Mamm Creek about 2 weeks ago and the gutter clean up from the wreck looks good.

Antero Resources – Jon Black reported that at the last EAB meeting in August they had no rigs running and at the October EAB meeting they have no rigs running, but in between those meetings they did have one rig operating and drilling wells in Battlement Mesa outside the PUD on Watson's Ranch. They have concluded fracing operations as of October 1st and will be mobilizing a drill rig from the Rifle area to West Virginia starting on October 2nd. They continue to do production work and to gear down for the winter months. They don't plan to have much more drilling activity for 2009 but they are assessing their 2010 drilling program right now.

Chevron – Michael DeBerry reported that they currently have no drilling rigs running and they have no plans to mobilize in the near future. They are continuing completion work on well bores already drilled. About two weeks ago they began commissioning operations on shipping facilities to transport gas to the Enterprise plant in Meeker and they are now on-line delivering gas to the Enterprise plant. They worked with the GarCo emergency response offices and the folks who leased grazing privileges on the ground in the Clear Creek Canyon area to inform all of their planned operations and activities. They have had no injuries or environmental events since the last EAB meeting. The GarCo Engineers are progressing nicely on the CR 204 project and should be concluding shortly. They have been working with the GarCo Sheriff's Dept. on a sizeable contribution to the overtime program to start proactive patrolling and speed monitoring on the newly paved road. Over the last few months there has been a lot of discussion on noxious weed control and as the construction is winding down they have accelerated their reclamation efforts.

Encana – Sher Long reported that they have 4 rigs in the Piceance Basin with 3 in the South and 1 in the North. They have planned to drill 137 wells for 2009 and they are at 116 right now. The plan for 2010 has not been finalized yet, but she should have the numbers sometime in December 2009. They are looking to add 1 more rig in 2010 on the north side of the highway in Parachute Creek and they could be at 5 or 6 rigs by the end of 2010 which is all dependent on the economic situation. The community counts program is extending from the Battlement Mesa/Parachute area to the Rifle/Silt area and they will have some signage soon. There has been a big problem with jake brakes and Garfield County has put up an electronic sign in the Battlement Mesa area which has made the jake brake complaints go down to zero. EnCana now has a GPS system in all of their trucks. It is a pilot project that has gone well and they plan to have GPS in all company vehicles. As new vehicles come into their fleet, many will be bi-fuel vehicles that will run on natural gas. They are promoting the natural gas corridor idea and are working with companies to put in a natural gas facility in Parachute. They are working with the State of CO to get a grant and are hoping to head into Grand Junction and Rifle as well. GarCo, Williams and EnCana are paving CR 301 from pavement end to pavement end (about 3.5 miles) right now and the road will be newly paved prior to the start of winter.

Noble Energy, Inc. – Judi Kohn reported that they have 1 rig in the south Grand Valley and that is all they are planning for the remainder of 2009. They have a comprehensive drilling plan that is being reviewed by CDOW.

OXY – Daniel Padilla reported that last month they began completing wells again in the Cascade Creek area and also in Mesa County. They currently have no rigs running but are evaluating a plan to bring back 1 rig before the end of the year.

Williams Production – Susan Alvimar was not present at the meeting but sent an e-mail to Betsy Suerth with a Williams update that reported the following: "Old Business – Storm water issues: On August 18th, Williams tool the Oil & Gas Liaison and members of that office's staff on a tour of the RF 11-5 pad just off 301 road. We have not been able to successfully schedule a date to meet with the EAB subcommittee. We will keep working on a date with the committee. We submitted our response on August 19th to items noted in the CDPHE letter dated 7/20 pertaining to the inspection of the RWF 11-5 pad. New Business – Orion joining EAB: On September 22, 2009, Williams closed a \$258 million purchase of the 21,800 net acres of Orion assets which are located south of New Castle and the Colorado River in the Garfield Creek/East Divide Creek area. It includes 28 operating wells and 94 additional wells permitted. Williams is expecting to locate a drilling rig on this asset by the end of the week. Williams update – Williams sends its regrets to the committee that it could not attend tonight's meeting. We are dedicating Glover Cabin tonight because the President of the Exploration & Production Division, Ralph Hill is in Parachute. We are pleased to report that the move of the cabin from Parachute Creek to Battlement Mesa went smoothly and the 8 mile trip took only 1 hour. The cabin will be renovated in the months to come. Williams has 8 rigs running in Western Colorado. We have one in Rio Blanco County and 7 in Garfield County. Of the seven, one rig is moving to the Orion acquisition. We have 1 rig just east of Parachute, north of

the interstate, with the remaining rigs south of the river between Parachute and Taughenbaugh Mesa. We will have a full update next month.”

Garfield County Oil & Gas – Wendy Swan reported the complaints received by their office in August and September. August had 6 complaints: 1-Odor, 2-Dust, 2-Spills and 1-Speeding. September had 17 complaints: 10-Odor, 3-Noise, 1-Dust, 1-Spill, 1-Visual/Bright Light and 1-Haul Route Violation. Leslie Robinson asked Wendy for the details on the two spill complaints. Wendy told Leslie that she could call her at the office and she could provide the date and some details of the complaint. Leslie said she feels it is important for the committee to hear the details of all complaints the O&G department receives rather than just the list reported. Wendy said the complaints that come into the O&G office are handled by the office and the details of the complaint as well as the investigation and resolution details are all documented internally. Leslie asked if the BOCC is aware of the complaints that the O&G office receives. Wendy said that Judy Jordan reports the number and type of complaints the office receives on her quarterly report to the BOCC. Leslie said the EAB public comment sheet doesn’t show many complaints and the O&G office is reporting many more and she feels all of those complaints should be listed on the EAB public comment spreadsheet. Wendy explained that the EAB public comment spreadsheet is for issues brought to the EAB by the public at the EAB meetings and the complaints that the GarCo Oil & Gas department receives are the responsibility of the O&G office to document and follow up on accordingly. Betsy Suerth said they are two different animals but Leslie’s line of questioning is valid and she feels Judy should answer her questions because it is her responsibility to oversee the O&G office and administer the complaints in whatever way she feels is appropriate. Betsy asked to put the item on the next EAB agenda for further discussion with Judy.

SUGGESTIONS FOR FUTURE AGENDA ITEMS/EDUCATIONAL PRESENTATIONS

- Presentation on hydraulic fracturing and frac fluids.

PUBLIC COMMENTS

- Jim Bell said he brought up the topic about the impact of fracking with relation to the safe water drinking act a few months ago and no one on the EAB responded. He thinks it would be a good topic for a future presentation with the new bill in congress right now.

ADJOURN

Betsy Suerth adjourned at 8:17pm.

MOTIONS PASSED AT THIS MEETING

- Betsy Suerth entertained a motion to approve minutes from the last meeting. Sher Long moved to accept the minutes as presented and Daniel Padilla seconded. The board then voted unanimously to approve.

Prepared by Wendy Swan, Garfield County Oil and Gas Administrative Assistant

Approved by the Energy Advisory Board on

Date

Mike Braaten, Secretary of the Board