

**GARFIELD COUNTY ENERGY ADVISORY BOARD (EAB) MEETING**

Thursday, November 1<sup>st</sup>, 2007

Minutes (FINAL)

GarCo Health & Human Services Building, Rifle, Colorado

**CALL TO ORDER/INTRODUCTIONS**

Mr. Alan Lambert called the meeting to order at 6:02 pm.

EAB members introduced themselves. Below you will find the names of the EAB members in attendance:

Smith, Jesse	Garfield County Oil & Gas
Swan, Wendy	Garfield County Oil & Gas.
Lambert, Alan	City of Rifle
Satterfield, Juanita	Town of Parachute
Mumma, Don	Battlement Mesa Oil & Gas Committee
Arsenault, Pam	Colorado Mountain College – Rifle Campus
Donato, Scot	Bill Barrett Corp.
Pollard, Kristi	Chevron
Wagner, Derek	ConocoPhillips
Long, Sher	EnCana
Bankert, Wayne	Laramie Energy II
Coleman, Bob	Marathon Oil
Clark, Chris	Plains Exploration & Production (PXP)
Alvillar, Susan	Williams Production

**MINUTES FROM PREVIOUS MEETING**

Draft minutes from the last meeting on Thursday, October 4<sup>th</sup>, 2007 were accepted & approved by unanimous vote of the board.

**COMMITTEE REPORTS**

- **Educational Resources Committee:** Pam Arsenault reported that the committee has added 3 more members; Donna Gray, Jay Miller and Juanita Williams. They are starting the first half of the “smart citizen series” on air quality in November at the new Colorado Mountain College Rifle Campus. The first class on Thursday, November 15<sup>th</sup> at 6:30pm is titled “What is air pollution? Where does it come from, & will I be exposed?” The second class on Thursday, November 29<sup>th</sup> at 6:30pm is titled “How does air pollution affect my health & how is air quality addressed?” These classes are free and open to the public. For more information please call 625-5200.

**PUBLIC COMMENTS**

- Jim Bell talked about an article in the November 1<sup>st</sup> Post Independent that stated Wamsley School in North Rifle was located 750 feet from a well pad. After spending all day researching this statement, Theresa Hamilton, with Wamsley School found out that they are ½ mile from the closest well pad.
- Daryl Misner, City of Rifle Chief of Police, said the EAB Community Guide he received in the mail was very informative.

**UNFINISHED BUSINESS**

- Jesse Smith reported on the severance tax update.
  - There is a working committee and a legislative committee looking at the severance tax issue and ways to improve it. There are a number of recommendations that are beneficial. 1. What does the State owe to local

government entities? 2. Does the State have a responsibility to assist local entities in mitigating impacts where they are growing at a rate that exceeds the local entities ability to keep up? 3. The working committee is looking at how the severance tax is distributed and coming back to local entities in direct distribution by residence reports.

- Direct distribution by resident reports is a problem for Garfield County because we have many people that work in our county but live in other counties, mainly Mesa County. The working committee is recommending a three measure way to direct distribute: 1. Continue to use the residence reports. 2. Look at the number of permits being granted. 3. Look at the production of the energy companies at the well head.
- Current severance tax distribution is: 50% to the State school system K-12, 15% is direct distribution and 35% to the Department of Natural Resources and DOLA.
- In 2006 the State received \$59.3 million in severance taxes from energy companies and only 5.7% of that came back to Garfield County and the municipalities. The working committee recommends increasing the direct distribution from 15% to 30%.
- The legislative committee can introduce up to eight bills at the next session. On November 1<sup>st</sup> they met to discuss four bills. Two of the four bills will address severance tax. They are looking at how to get a large infusion of money into the impacted areas.
- Sher Long with Encana gave an update on the Thompson issue: Several people with Encana have met with Mr. Thompson twice recently and they are meeting with him again on November 2<sup>nd</sup>. Mr. Thompson purchased property with a producing well that was a Tom Brown well. Encana has examined the site and found issues to correct for him including: Fixing a leased road, looking at dust control on pad, remove a tank not in use, take down old fencing, make sure production units are well fenced, and looking at Tom Brown surface use agreements to know what their requirements are. Sher said Mr. Thompson knows to call her the minute he has any dust problems and he has not had to call in any problems lately.
- Susan Alvillar with Williams said that they met with Mr. Thompson on October 29<sup>th</sup> and took a tour of his property. Williams has operations in his area, although they are not on Mr. Thompson's property, they are on properties owned by others and they will work on trying to figure out what they can do to help. Williams agreed to put a tank in containment and they will help to control the dust when they have active operations. They are also researching the surface use agreements in his area.
- Alan Lambert with the City of Rifle thanked Encana and Williams for addressing this issue and he states that this is one of the primary responsibilities of the board to address these issues and have citizens come to these meetings where many operators are all in one room.
- Sher Long is still speaking with Nanci Limbach and the Encana managers' on the Limbach issue.
- The EAB by-laws sub-committee is waiting for Sam Robinson to return on November 10<sup>th</sup> to set a date for their meeting. Some tentative dates have been discussed between three of the four members.

## **NEW BUSINESS**

- The EAB meeting dates for 2008 will remain on the same schedule, which is the first Thursday of each month at 6pm in Rifle at the Health and Human Services Building.

## **EDUCATIONAL PRESENTATION**

John Lipka, the security director for Encana gave a presentation on the security process in the Oil & Gas industry. He has been with Encana for one year and prior to that he spent 25 years in the law enforcement field. To view this presentation on television visit [www.rifleco.org](http://www.rifleco.org) and click on the community TV cable 10 schedule for the "Energy Advisory Board of November 1" meeting.

- The first thing he does on a well pad site is a risk assessment. The security choices are: Fencing, lights, signage, close circuit television, locks and alarms. All solutions for security are recognized and best one for pad is chosen.
- Other issues with the Oil & Gas industry are: Very aggressive drug and alcohol programs with a lot of testing, traffic mitigation, wildlife poaching, fraud and theft are up, vandalism and counter (domestic) terrorism preventative measures.
- Traffic issues: John will identify problem and get the raw data to help figure out the extent of the problem. He is proposing mobile radar detection if landowner has a traffic problem related to the oil and gas operators. He

proposes that a consortium of oil and gas operators purchase these radar detectors and put them up on roads with traffic and speeding complaints. Then they can get real data on how many vehicles are speeding on the roads and what are the heavier traffic and speeding times.

- Jesse Smith asks how to pinpoint truck drivers that are breaking the law when the majority are sub-contractors. John suggested GPS tracking to be placed in sub-contractor vehicles to track bad driving habits. Many of these sub-contractors do not use the heavy haul routes because they can take up to five times longer, so in turn they are using the main roads that affect many citizens.
- Alan Lambert asked about terrorism in our community. John does not feel that International terrorism is a threat right now, but domestic terrorism could be a real threat with citizens getting upset with the oil and gas industry. He feels that the Energy Advisory Board is a good forum for people to attend and express any frustrations they may have with the industry at a meeting where many oil and gas operators are present.

## **EAB MEMBER UPDATES**

### **MUNICIPALITIES:**

**Town of Parachute** – Juanita Satterfield reported that they have many traffic issues and would like at least five of the mobile radar detectors that John Lipka just mentioned. The commercial development on the south side is coming along well and the high density residential is going in for additional housing. They are actively advertising for a Town Administrator with applications due by November 15<sup>th</sup>.

**City of Rifle** – Alan Lambert reported on their capitol projects: They just broke ground on a \$4,225,000 safety complex on 18<sup>th</sup> Street and White River Avenue. This is a joint project with the City of Rifle and Garfield County. The complex will house the police department and municipal court on one side and across the street will be the sheriff's offices and the county courthouse. This project should be completed by the end of Summer 2008. A project for a roundabout on the North side of I-70 and Highway 13 to cost \$4.3 million will begin Spring 2008 and take about 6 months to complete. They are researching to build a new waste water treatment plant and the project is expected to cost \$18-22 million and take 2 years to complete. The city is seeking state and federal grants for the Centennial Park project in the Rifle Creek area. The project will cost \$4 million and take 1-2 years to complete. If the grants are accepted, they expect to start the project in 2008. The baseball/softball field in Deerfield Park is nearing completion. The residential development plans in progress are for Rimrock – North Rifle, Rifle Heights – East Rifle, Creekside – behind City Market, Perky Biscuit Ranch – North Rifle and The Farm – Northeast Rifle. Once completed these projects will add a total of 3,000 – 4,000 new housing units and result in a doubling of the present 9,000 population. They need every penny they can get from the severance taxes to finish the capital projects to deal with the large growth projections. They have just hired Mike Braaten to keep up with the Rifle legislative issues. His title will be the “Energy Coordinator for the City of Rifle” and he has been dealing with legislative issues for the Colorado municipal league for many years. He will be the main City of Rifle contact for the energy producers. He will start early December and will be attending future EAB meetings.

CITIZENS: None

**SCHOOL DISTRICTS:** Pam Arsenault with Colorado Mountain College (CMC) reported that the new West Garfield Rifle campus is up and running and the community is very excited about the campus. They have approximately 2,000 – 2,500 students enrolled. The governor came to visit the campus two weeks after their grand opening. They also have a state certified pre-school for 3-5 year olds that has two sessions and is already full.

### **LOCAL ORGANIZATIONS:**

**Battlement Mesa Oil & Gas Committee**— Don Mumma reported that the roof excavation is complete for the Battlement Mesa Elementary School. They have two complaints with Encana related to dirt and dust issues. Sher Long with Encana is aware of the complaints and Don brought a formal complaint letter to give her after the meeting.

### **OPERATORS:**

**Bill Barrett Corp.**— Scot Donato reported that they have 3 rigs running south of Silt. One in Gibson Gulch area, one in Dry Hollow area and one in Mamm Creek area. They are currently producing 100 million cubic feet per day. They are expanding their water transfer system to try and reduce trucking in their area of produced and fracing water and they are recycling the water as much as they can. They are adding natural gas looplines to reduce system pressure. They are currently looking for another rig, but not sure when it will arrive.

**Chevron** – Kristi Pollard, the new Community Engagement Specialist for Chevron, reported that they currently have two HP rigs that will be operating until early 2009. They are doing evaluation work for a third rig to go on-line sometime next summer 2008. The transmission line they have been working on with Williams and Enterprise processing plants should be completed in December. They have a variety of construction projects, pipelines and special use permit applications pending. They expect to receive a building permit for a pipeline facility and hydro test permit for a pipeline soon. They have full patrol out for trespassing during hunting season and they have seen a significant decrease. They are anticipating an RFP for CR204 in the next couple of weeks. They are holding another stakeholders meeting in early December. They have implemented a new rule with all of their sub-contractors that they are not allowed to operate any multi-axl trucks on the Debeque by-pass during school bus hours. They have arranged to have a variety of representatives from Los Alamos lab and Chevron to participate in judging some of the Debeque school technology fairs.

**ConocoPhillips**- Derek Wagner reported that they continue to have five rigs in operation in the North Parachute Creek area. They are currently producing 3 million cubic feet per day. October 31<sup>st</sup> was their one year anniversary of operations. They are expecting delivery of their temporary living quarters just North of the county line in Rio Blanco county the week of November 5<sup>th</sup> and they expect that facility to be operational sometime in December.

**EnCana**- Sher Long reported that they have 8 rigs running south of the river (4 in Mamm Creek, 2 in Parachute, 1 in Plateau Valley and 1 in Rulison). Three of those rigs are conventional and five are new technology. They have 8 or 9 Patterson rigs in North Parachute Ranch. Encana's mid-stream manager wanted to share that the gas processing plant outside of Meeker on CR5 started up on October 8<sup>th</sup>. All of Encana's gas goes to Enterprise. With Encana and 3<sup>rd</sup> party gas the plant is accepting 500 million cubic feet per day. They are continuing to run three processing facilities with one in West Rifle. They will start a shut down process on November 5<sup>th</sup> that will start at the other end of the valley and end up in Rifle. They are not sure of the exact schedule, but should have more information by the next EAB meeting on December 6<sup>th</sup>.

**Laramie Energy II** – Wayne Bankert reported that it is their 2 month anniversary for picking up operations from Petrogulf just south of the river. They currently have one rig drilling and plan to keep it going through the winter. They are still trying to get their hands around what they have picked up and they are meeting the landowners.

**Marathon Oil**— Bob Coleman reported that they have two rigs running on top of the Mesa, west of Parachute Creek. They will run these two rigs through the winter. Next spring they will bring two more rigs in. They have not had any production yet, but they are completing their first well and hope to have production by the end of November.

**Plains Exploration & Production (PXP)** – Chris Clark reported that they currently have five rigs running (none of them in Garfield County). Four are in Plateau Valley and one in Hells Gulch. They have a pipeline project and a pressure station project. Their activity will slow down during the winter and pick up again next year with 2 to 3 rigs back in the Hells Gulch area south of Garfield County.

**Williams Production**— Susan Alvillar reported that they currently have 25 rigs running. Three in the Highlands area and the rest in the valley. Eight of these rigs are south of the river and they have heightened their sensitivity with these rigs being closer to communities. The rest of the rigs are north of I-70. Fourteen of the rigs are high efficiency rigs. They are finishing installation of a 24 inch pipeline that connects Webster Mesa to their Cottonwood hub. They just had a contractor expectation meeting and approximately 300 sub-contractors attended. Williams explained their operations for next year and what the expected from the sub-contractors when they operate for Williams. They also discussed environmental issues and community sensitivities. This meeting was well attended and they have these twice a year.

#### **GARFIELD COUNTY OIL & GAS DEPARTMENT:**

- Wendy Swan reported on complaints for the month of October: 12 total complaints; 10 odor, 1 traffic and 1 environmental.
- Jesse Smith reported an accident that just happened the morning of November 1<sup>st</sup>. A sub-contractor was driving a semi belly dump truck full of gravel on CR302 and he came around a curve as the sun hit him in the face and he ran off the side of the road. The truck rolled over and dumped out all of the gravel. Garfield County Road & Bridge closed down the road and the energy company that the sub-contractor was hauling for had people out right away to help direct traffic and clean up the mess. There were no injuries.

## **SUGGESTIONS FOR FUTURE AGENDA ITEMS**

- A presentation by Encana's processing plant manager to discuss the plant operations.
- A presentation by Chevron on their Oil Shale development process. Jesse Smith has invited them to speak in January or February of 2008.
- Have a DOLA representative speak about what they look for in projects and how they prioritize. Have them come in March or April after their new processes are put into effect.

## **PUBLIC COMMENTS/ISSUES**

- Jim Golden, a citizen who lives in the Rifle Village South subdivision commented to Sher Long during her Encana report. He commented on a problem he had with the Encana processing plant in Rifle on October 30<sup>th</sup> when he smelled a large release of VOC's into the area. Sher said they had a sudden shut-down at the Enterprise plant in Meeker that backed up. Jim said when he called Encana to report the incident that he was under the impression that they did not know this was happening. He was surprised that they did not have anything in place to warn them of such incidents and that it is socially irresponsible to release that much gas into the environment. Sher told him that she would like to schedule a personal sit down meeting between Mr. Golden and their gas gathering manager to discuss this issue.

## **ADJOURN**

Alan Lambert gave a motion to adjourn at 7:55pm.

*Submitted by:*

*Wendy Swan, Garfield County Oil & Gas*

[wswan@garfield-county.com](mailto:wswan@garfield-county.com)